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Region IV Transit Workshop: Harnessing the Private Sector

Proceedings

September 1988



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REGION IV TRANSIT WORKSHOP HARNESSING THE PRIVATE SECTOR

A Regional Technology Sharing Workshop

Proceedings and Report of the Workshop

Introduction to the Report

This Report constitutes the Proceedings of the *Region IV Transit Workshop: Harnessing the Private Sector*. Included in this document is a general report of the activities of the Workshop.

In addition to conveying the presentations made at the Workshop, this document provides an overview of the topics covered, a listing of those persons represented at the Workshop and a report on the evaluation which those participants gave to the Workshop. The Workshop was viewed by attendees as a very successful event, receiving strongly positive ratings.

Organization of the Proceedings

The Proceedings are composed of six main sections and one appendix. The main sections provide an overview of the activities, a statement of the technical training objective of each workshop and a listing of workshop speakers, the available presentations by speakers, a listing of participants, a condensed participant evaluation and concluding comments. The final Workshop agenda is reproduced in the appendix to this report.

Overview of the Workshop

Purpose. The purpose of the *Region IV Transit Workshop: Harnessing the Private Sector* was to attempt to place the private sector initiative into a context relevant to the Southeast which is dominated by small urbanized and rural transportation providers. Appropriate lessons were drawn from the large urbanized systems in the Southeast; however, the needs of the smaller system operators were the dominate focus of the Workshop and comprised the majority of the Workshop program.

Target Audience. Naturally, the target audiences for the Workshop were system operators in rural and small urban areas: Section 18 systems, smaller Section 9 systems and some Section 16(b) (2) operators. State and local officials, planners and local elected officials were also encouraged to attend.

Announcements were sent to all Section 9, Section 18 and most Section 16(b) (2) operators in the eight Southeastern states of Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina and Tennessee.

Additionally, the Workshop was announced in the monthly newsletter of the North Carolina Department of Transportation, by letter from the Alabama Highway Department (to Alabama systems), by letter from the South Carolina Department of Highways and Public Transportation (to South Carolina Systems), by public announcement at the annual meeting of the North Carolina Public Transportation Association and by notification to targeted members of the Transportation Association of South Carolina. Further, the newsletter of the Public-Private Transportation Network carried an announcement of the Workshop, and the Office of Research and Technology of the United States Department of Transportation distributed announcements to individuals requesting technical documents related to the Workshop topics. Thus, a wide distribution of the Workshop announcement was made with approximately 5,000 copies of the announcement being distributed.

Resource Center. The Technology Sharing Program of the United States Department of Transportation provided a Technical Resource Center for Workshop participants. The Resource Center was open throughout the Workshop and distributed approximately 300 volumes of technical information as well as in-person technical assistance from Mr. Norm Paulhus of the Office of Research and Technology.

Speaker Travel by PPTN. The Public-Private Transportation Network of the United States Department of Transportation very kindly provided travel support for speakers in need of such assistance. The PPTN was also a Workshop sponsor.

Location and Dates. The Region IV Transit Workshop was held in Asheville, North Carolina, on May 26 and 27, 1988, at the Great Smokies Hilton.

Workshop Size and Attendance. The Workshops were a combination of presentations and participant activity beyond just questions and answers. To encourage audience/speaker interaction, the Workshops were intended to have a per session attendance of approximately fifty persons maximum. The actual attendance at the Workshops was quite in-line with that attendance viewed as optional per session.

Sponsors. The sponsoring and co-sponsoring organizations of the Region IV Transit Workshop are listed below. The support and endorsement of each organization is deeply appreciated.

Sponsors:

Alabama Highway Department

Alabama Transit Association

Transportation Systems Management Association
The University of Alabama

Urban Mass Transportation Administration
U.S. Department of Transportation

Public-Private Transportation Network

Co-Sponsors:

Florida Department of Transportation

Mississippi Department of Energy and Transportation

North Carolina Department of Transportation

North Carolina Public Transportation Association

South Carolina Department of Highways and Public Transportation

Transportation Association of South Carolina

In Cooperation With:

The Region IV Transportation Consortium

Financial Sponsorship and Organization

The Workshop was funded by the Alabama Highway Department with funds from the Urban Mass Transportation Administration of the United States Department of Transportation. The organization of the Workshop was contracted by the Alabama Highway Department to the Transportation Systems Management (TSM) Association of The University of Alabama. TSM contracted certain aspects of the Workshop organization to Erskine S. Walther Consultancy.

Objective of Each Workshop

The technical assistance objective of each Workshop is noted below along with the speakers at each Workshop. This presentation of training objectives provides an overview of how the workshops worked together to present a unified body of training for the participants.

The original Workshop announcement contained a workshop to be conducted by Cobb County, Georgia. This workshop was to address issues of contracting the entire suburban transit system to the private sector. Unfortunately, Cobb County was unable to send anyone to conduct this workshop, and it was dropped from the program. In the Small Rural Van Programs Workshop, Ms. Nancy Harrington of Pitt County, North Carolina, was originally scheduled to share the local governmental view of the program but was unable to do so. Mr. Sanford Cross of the North Carolina Department of Transportation agreed to share the state's view of the program instead.

Workshop One: Small Rural Van Programs

Demand Responsive and Scheduled Service Contracted to the Private Sector

This Workshop focused on a private sector operator who has successfully operated small, three to four van programs for rural counties in North Carolina. This Workshop was designed to benefit small urban and rural communities in the Region with low density and low ridership programs.

Mr. John Eaton, CTS Management Company, Sanford, North Carolina - a private operator

Mr. Sanford Cross, North Carolina Department of Transportation, Raleigh, North Carolina

Workshop Two: Communicating with the Private Sector

What the Public Sector Needs to Know to be able to Communicate Effectively with the Private Sector

This Workshop focused on how to improve the public sector's communication with the private sector. This Workshop was designed to benefit all participants in general and especially those who have had difficulty in working with the private sector.

Ms. Beverly Ward, Alabama Transit Association, Birmingham, Alabama - Moderator
Mr. James McLary, Transportation Management Services, Alexandria, Virginia

Mr. David Kramer, Yellow Cab of Louisville, Louisville, Kentucky
Mr. Sanford Cross, North Carolina Department of Transportation,
Raleigh, North Carolina
Ms. Pat Piras, Piras Consulting, San Lorenzo, California

Workshop Three: Public-Private Partnerships for Capital Needs in Small and Medium Sized Communities: Urban and Rural

This Workshop focused on joint development arrangements which can be done with bus system transfer facilities in low density/small urban areas. The Workshop was designed to be most beneficial to systems with plans for transfer facilities but had value to others in that it stimulated thinking of new options.

Ms. Kayle Norton, Northwest Alabama Council of Local Governments, Muscle Shoals, Alabama
Mr. Rick Sparer, Lexington-Fayette Urban Government, Lexington, Kentucky
Mr. Sheldon Kinbar, Urban Mass Transportation Administration, Philadelphia, Pennsylvania

Workshop Four: Other Voices

Public Sector Efficiency/Other Private Sector Approaches/Other Views of the Private Sector

This Workshop was an attempt to stimulate thinking, to present alternative approaches to efficiency gains and perhaps, to provide some warnings. As this Workshop offered multiple views, a brief description of each topic is provided.

Ms. June Stearman, Macon-Bibb Transit Authority, Macon, Georgia, operates a fixed route city-county service without federal money and with only limited state capital assistance. It is a case where the public sector can operate as efficiently as the private sector.

Mr. Bob Goble, Carter-Goble, Columbia, South Carolina, presented unique private sector approaches, which are applicable to the Region, found in two recent studies conducted by his firm.

Ms. Kim Garret, Community Action Agency of Morgan-Lawrence-Cullman Counties, Decatur, Alabama, shared her organization's first (and unsuccessful) private contracting experience and the lessons learned therefrom.

Mr. Emmett Crockett, Metropolitan Atlanta Rapid Transit Authority (MARTA), Atlanta, Georgia, shared successful experiences in contracting elderly and handicapped services in MARTA's urban and rural service areas.

Workshop Five: Operator Experiences with Private Sector Activities

Views from System Operators and Open Discussion

This workshop shared a set of specific experiences followed by an open discussion. The experiences focused on the difficulties of undertaking private sector initiatives in rural and small urban areas where, frequently, there are few or no private operators. As this Workshop offered multiple views, a brief description of each topic is provided.

Mr. David Robinson, Mississippi Department of Energy and Transportation, Jackson, Mississippi, commented on the Mississippi state level private sector program.

Ms. Kim Garrett, Community Action Agency of Morgan-Lawrence-Cullman Counties, Decatur, Alabama, shared subsequent successful experiences with private sector contracting.

Ms. Helen Carter, Limestone Council on Aging, Athens, Alabama, shared experiences with a volunteer van program in a rural county with some suburban development.

Ms. Jean Engelke, Area IV Agency on Aging and Community Service, LaFayette, Indiana, shared experiences with a volunteer van program in a multi-county rural area.

Summary and Evaluation Session

The purpose of this session was to reinforce the information that the participants had learned during the Workshop which could be taken home and applied. Additionally, the session was to collect the evaluation forms and thank the participants and the speakers for their efforts.

Dr. Dan Turner, Executive Director of the TSM Association of The University of Alabama conducted this concluding session.

PRESENTATIONS OF THE WORKSHOPS

Welcome, Overview and Objectives

Mr. Erskine Walther generally welcomed the participants and noted changes from the original Workshop announcement.

Mr. Tom Tomlin, whose remarks are reprinted below, welcomed the participants on behalf of the Asheville Transit Authority.

Mr. Jerry Peters welcomed the participants on behalf of one of the key sponsors of the Workshops, the Alabama Highway Department.

Dr. Dan Turner welcomed the participants on behalf of the Workshop arranging organization, the Transportation Systems Management Association of The University of Alabama.

Mr. Sheldon Kinbar welcomed the participants on behalf of another key sponsor, the Urban Mass Transportation Administration of the United States Department of Transportation.

The participants then partook of Workshop One.

Welcome of Mr. Tom Tomlin of the Asheville Transit Authority

Ladies, Gentlemen and participants in the UMTA Region IV Workshop . My name is Tom Tomlin, and I am Chairman of the Asheville Transit Authority. I would like to take this opportunity to welcome you to Asheville and hope you enjoy your visit. I hope you all had a good mountain lunch and are ready for your workshops.

We have several historic sites in the area, plenty of fine eating establishments and beautiful scenery which you can take advantage of during the clear and sunny weekend. The weather forecast calls for nothing but sun.

You may have seen or been on our major thoroughfare (I-240) through Asheville, which is now under repair. We apologize for any inconvenience this may cause. For those of you that do not wish to drive, we have a fine bus system which recently had its 1969 GMC coaches refurbished. These buses can take you around Asheville and to our three malls. The bus arrives at the stop at the entrance drive to the Hilton around 10 minutes after each hour. Each bus has schedules and route maps. Asheville's two largest tourist attractions, the Biltmore House which was constructed in the late 1890's, and the Grove Park Inn which was constructed in 1913, are somewhat accessible by bus. If you have any questions about our service, the phone number is 253-5691.

For your information, Asheville has been named Capital City of the Day for North Carolina tomorrow. Our Governor and his staff will be here for the celebration.

Thank you, and we hope you enjoy your stay in Asheville.

Workshop One: Small Rural Van Programs

This workshop focused on a private operator who had successfully operated small, three to four van programs for rural counties in North Carolina. This Workshop would benefit small urban and rural communities with low density and low ridership programs.

Mr. John Eaton, CTS Management Company (remarks unavailable at press time).

Mr. Sanford Cross, North Carolina Department of Transportation (Mr. Cross agreed to serve on this Workshop at the last minute after it was learned that the local government representative originally scheduled to speak was unable to attend. While he had an excellent presentation, he had no prepared comments; therefore, none are reprinted here).

Workshop Two: Communicating with the Private Sector

This workshop focused on how to improve the public sector's communication with the private sector. This workshop benefited all participants in general and especially those who have had difficulty in working with the private sector.

Ms. Beverly Ward, Alabama Transit Association - Moderator

Mr. James McLary, Transportation Management Services

Mr. David Kramer, Yellow Cab of Louisville

Mr. Sanford Cross, North Carolina Department of Transportation

Pat Piras, Piras Consulting, San Lorenzo, California

Overview by:
Beverly Ward
Alabama Transit Association
Birmingham, Alabama

The panelists were interested in the level of private sector participation in the operations of the workshop attendees. The moderator and panelists introduced themselves, and the attendees were asked to introduce themselves, detailing their private sector contracting experiences. Roughly, one-third of the attendees had no experience with private sector contracting, stating that they believed the small size of their operations prohibited such opportunities. Another third had had varying experiences with private sector contracting; ranging from positive and seeking additional opportunities, to negative and apprehensive toward the idea of trying again. The remainder of the attendees were private operators, federal, state and local officials, etc.

Each panelist then gave a presentation in response to what he or she perceived to be key elements of successful public/private contracting. The presentations centered on four elements:

- a. the displacement of all responsibility for failed contracts onto the private sector;
- b. the desire to share/contract with the private sector;
- c. getting to know private providers; and,
- d. how to make good on failed contracts.

The two private service providers, James McCleary and David Kramer, spoke to the attendees from the perspective of successful private contractors, knowledgeable of the effort that must be made by the public sector in providing clear lines of communication and being empathic to the private provider's schedule. If the private operator is under contract to provide transportation for elderly and handicapped passengers, do not schedule meetings for that provider during the first 10 days of the month. (They are overworked during this period because their elderly customers have just received their monthly checks.) And, second, when inviting the private operator to meetings, clearly indicate what segments of the meetings will relate to that operator's services.

The two other panelists, Pat Piras and Sanford Cross, reiterated some of the statements made earlier and also provided insights that were beneficial to both sectors. Pat's handout of a recipe for chocolate chip cookies was a good example of the type of jargon, known only to the public sector, that the local jitney service provider is asked to deal with.

Sanford Cross summed up the responsibility of the public provider with two statements. Public operators have the dollars that the private sector wants. It is the responsibility of the public provider to dictate service needs to the private operator.

A central issue that was not dealt with in depth in the workshop was that of the ability of the private operator to provide the level of service needed at a cheaper cost, including a profit, and the accompanying suspicions of the public sector. Many public operators are also "providing" services other than transportation which can and do inflate transportation costs. The public operators "profit" may be used to supplement the costs of these other services.

Remarks By:

James J. McLary

President

Transportation Management Services, Inc.

Alexandria, Virginia

**WHAT EVERY PUBLIC SECTOR PERSON NEEDS TO KNOW ABOUT THE
PRIVATE SECTOR**

When I was first asked to participate in this conference, I was surprised to see that the title of the workshop was "Harnessing the Private Sector." Needless to say, it makes you wonder what we have done wrong that makes people want to "harness" the private sector. I don't believe that as a group we have done anything that would warrant a thirty-year suspended sentence and very few of my private sector friends have leprosy. Therefore, when I started putting together my remarks I decided that the emphasis must be on education.

This paper is intended to educate and inform public sector employees that we don't need to be harnessed, but we do need to be managed and used for the betterment of public services. I will discuss the requirements for a good Request For Proposals (RFP), identify specific issues that need to be resolved at the local level and finally provide some personal insights based on my experience on both sides of the table.

Background

There are a number of factors that must be present in order to have a successful private/public cooperative effort. First and foremost, both parties have to be willing and interested parties. I have been involved in RFP's that were issued only because the state or federal government had been successful in convincing the local staff that they must consider a private sector bid. The reality was that the public agency had no desire or need to contract with a private firm and furthermore probably would not have signed a contract even if the bid was half of their cost. This kind of environment is counterproductive, expensive and frustrating to both the public and the private sector. Both parties must be willing and interested participants.

While the private sector, in most cases, can provide a similar service with improved or a comparable quality of service, the reality of the situations that I have been involved with require a net savings from the operation. The primary reason that a public agency will advertise for a private contractor is to save money. This may not be the best reason, but this is the general environment in which we operate. If a private contractor cannot provide the service for less, the likelihood that a contract will result is very slim.

The third consideration that must be understood is that both parties must go into the contract with a trusting relationship. The trust does not negate the need for accountability and management but must be present for a successful program. Whenever a new service is started there are many unanticipated situations that arise which must be solved without consideration as to who is responsible or who must approve the action. This requires "give and take" between the public official and the private contractor. The trust allows both parties to move ahead and solve the problem and then later worry about who is responsible and who must pay.

The final concern in a private/public contract is that many public sector people believe that the private sector is ONLY interested in profits and the service will deteriorate. First of all, profit is not inherently bad. Just because someone, either a private or public operator can operate the service more efficiently and thus save tax dollars (ala public sector) or make a profit (ala private sector) does not mean the service quality will be worsened. This perception must be diffused.

Requirements for an RFP

Since I am in a position to review at least 3 to 4 RFPs every week or over 100/year, I have seen examples of the good, the bad and the ugly. What I hope to do is provide a little insight into what we in the private sector need in order to be "harnessed". Many agencies include so much boiler plate that by the time you get around to reading the scope of services, you have forgotten what the request is for. This "boiler plate" is often required by the procuring agencies purchasing people and does provide valuable contract and proposal information. However, the issuing agency should clearly identify the scope of services and other requirements such as format, due date and any pre-bid meeting.

Some of the service information that is required at an absolute minimum includes:

- o Date service is to start
- o Miles of service, both revenue and platform
- o Hours of service, both pay and revenue
- o Vehicle requirements and who provides them
- o Length of contract

Separate from the service information is administrative information such as:

- o When the proposal is due
- o How many copies you need
- o Where do you want the proposal delivered (please provide a street address and room number, Federal Express does not accept PO boxes)?
- o Do you have a required form?

- o How will the proposals be evaluated including any weighting?
- o What other conditions exist (i.e., DBE/WBE, bonds, notarized statements, pre-submittals, etc.)?

A private company that is putting together a proposal needs as much information as possible to make the best proposal. Remember that by providing the best possible information, you will be more likely to receive a quality proposal. Some public agencies believe that the private company should not have access to information that the public company may have because the past information is proprietary. This attitude, although rare, constrains a private company in preparing a bid. The best rule of thumb to use in preparing an RFP is if you think that a private company may need certain information, then include it. If they don't want it, they will simply not use it; but if they need information and don't have it, then either phone calls, letters or personal visits result, which take time and energy.

One final point concerning RFP's, is please don't require them to be due before 4:00 p.m. unless you have a deadline to meet. The reason for this is that Federal Express delivers before noon the majority of the time. If for some reason Federal is late, we can have some time to track the submittal. The second part of this statement is to not make proposals due at the close of business on Friday. How many people are going to review the proposals over the weekend? Some of my compatriots would rather not have the weekend to work on a proposal, myself included, but then again if I need the time, I would like to have it available.

Issues for Resolution

Even if you follow all the advice offered above, a number of issues still remain that must be answered before an agency can issue an acceptable RFP. These issues to be discussed below include:

- o Bid/Performance Bonds
- o Vehicle Ownership
- o Facilities
- o Start-up/Transition Time
- o Insurance

Bid/Performance Bonds

Many of the turnkey bids that we see today require bonds or other acceptable forms of financial security. The reason for these bonds is that the public sector has the responsibility to ensure that public funds are being used correctly. Most construction projects require performance bonds because the materials are often paid for before the materials are installed. Purchasing agents are familiar with performance bonds and therefore have often included them in service contracts. The problem is that small companies have trouble securing performance bonds because of a lack of capital, and

therefore, large companies have an upper hand. The public agency ends up paying for any bond because the company includes the cost in the bid.

If the decision is to have a bond, the next question is how much should be required. Some agencies require a 100% bond which again works in the favor of larger companies. A more reasonable limit is based on the exposure the public agency must face. A typical termination and closeout would be two months, and therefore, a 15-20% performance would be reasonable. Anything higher than that is offering a false sense of security to the public agency at a fairly expensive cost, in terms of both dollars and limiting competition.

Vehicle Ownership

There are numerous advantages and disadvantages to the vehicle ownership question. If the public agency owns the vehicles, they can often times be purchased cheaper, and interest charges are not paid by the public agency. The new capital cost of contracting regulations have somewhat reduced this advantage of public ownership in that you are assured of the exact type of equipment you will have in service. There are a number of advantages to private ownership including ease in negotiating purchase price, delivery and options; the private carrier's ability to handle quick service expansion; and the fact that if the private carrier owns or leases the equipment to the public agency, then the private carrier has a financial interest in maintaining the equipment to the highest standards.

As mentioned earlier, there are also disadvantages to both public and private ownership. If the public agency purchases the vehicles, the procurement procedures may be cumbersome, both in terms of time and flexibility. In addition, the public agency should keep closer track of vehicle maintenance and repairs done by a private operator. Private ownership is somewhat more expensive for a couple of reasons including interest or lease charges and the need for the private operator to have a return on his investment. Each situation must be considered on local conditions and decisions based on local need.

Facilities

Another issue that the public agency must deal with is the need for facilities. Many of the small turnkey contracts are not large enough for private operator to provide their own facility, and therefore, many of the smaller operators will contract maintenance. This may be mitigated by the local agency providing a storage or maintenance facility for the operator. This could be part of a larger Public Works compound or a Parks and Recreation garage. This will also help an out-of-town firm be competitive, if that's what you want.

Start-up/Transition Time

There is a delicate balance that must be maintained during the transition period from one private carrier or a public agency to another operator. The longer the time, up to 90 days, the better for both the new and the old operator. However, once the old operator is

notified that they have not been awarded the contract for continuation, service might, notice I said might, deteriorate, since the old operator no longer has an incentive to perform, except of course his reputation and his own personal commitment. Most private carriers will continue at the same level of effort right up to the last hour, but there is always a risk that the "loser" will become uncooperative and not perform to the desired level. This then argues for a short transition, but that can also cause problems for the new operator with a lack of familiarity, hiring, training, etc. It's very important that both the public agency and the private operator agree on a reasonable transition time and develop a critical path of actions to take and deadlines to meet. A reasonable transition time is 60 days.

Insurance

The final issue that must be addressed locally is the question of how much insurance you should have. Most insurance agents will tell you that you can't have enough coverage regardless of what you have. The only problem is that the agents don't pay the bills. Before the "insurance crisis" many, if not all, small transit agencies carried at least \$10,000,000 of liability coverage. The increasing costs reduced the coverage to \$5,000,000 and even as low as \$1,000,000 on some properties. I believe that \$1,000,000 should be the minimum and where possible a public agency should obtain the cost of \$5,000,000, to see if you can afford the extra coverage.

Summary

The concept of harnessing the private sector implies that there is an evil to be controlled. Many of my friends in the private sector have worked for public agencies and, many of the public sector people that I know are at least interested in exploring private sector employment. I believe that all professionals are in the business because they either enjoy the people or the satisfaction of providing quality transportation services. None of the people that I know expect to become millionaires providing transportation services.

Public sector employees should take advantage of the private sector wherever it makes sense. As stated in the beginning, the easiest way for a project to be successful is to have both parties willing and interested. My experience to date has been that the private sector is willing and ready, and now we have to convince the public sector that we are not evil, we are not going to take the public coffers and make millions of dollars and that we too want to provide quality transportation services. The basic message is to "give us a chance" and let us show you what we can do. Don't expect to have all your work done for you. A private-public venture is exactly that. Both parties have a role and also have responsibilities. The private operator must provide the service, and the public agency must ensure that the service is done properly and professionally.

In conclusion, I would like to add a personal observation. I was a public sector employee for over 10 years before I ventured into the unknown arena of the private sector. My experiences on both sides of the table have been very similar. The only major

difference is that the motivator in the private sector is the bottom line, while the public sector is more concerned about which politician will yell as a result of what I have done. I can state unequivocally that I know just as many competent and concerned public and private employees, and unfortunately I know many less competent and uncaring on both sides. My final observation is to be careful in selecting a person or company to work with, but don't let fear of the unknown stifle good public policy.

Remarks By:

David H. Kramer
 Executive Vice President
 Yellow Cab of Louisville
 Louisville, Kentucky

I would like to thank Erskine for inviting me to participate in this workshop and I would like to thank PPTN for paying my expenses so that I could come to this workshop.

I began in the transportation industry in 1979 as the general manager of a small taxi fleet in Lexington, Kentucky. When I began, there were 15 cars. In September of 1980, the company I worked for acquired our competitor in town who had 30 taxicabs. This brought the total number of taxis up to 45. In 1980, I became President of the Kentucky Taxicab Association.

In 1982, I came to Louisville, Kentucky as the General Manager of the Yellow Cab Company of Louisville. At that time we had 275 total vehicles and now we have 330 total vehicles. These vehicles are as follows:

	<u>HAD</u>	<u>HAVE NOW</u>
Cabs	230	230
Ambulances	5	11
Care-A-Vans	10	25
Driver Training	7	12
Cadillacs	12	12
Tour Vans	3	5
Package Delivery Trucks	0	30
TARC Contracts	<u>0</u>	<u>2</u>
 TOTAL	 ABOUT 275	 OVER 330

Since 1983, I have served on the Transportation Technical Coordinating Committee for our area development district, and for one year I served as Chairman.

I have been the successful private bidder on Title III Grants, Homecare Grants, County Grants and contracts with our Transit Authority.

Before I get into what I had planned to say, let me say a couple of words regarding what I have heard from some of the other speakers. "Profit" is a term that really only means something to the IRS. Non-profit agencies as well as for-profit agencies both must generate revenue, and both incur expenses. To a non-profit agency revenue comes in the form of grants. To a for-profit agency revenue may come in the form of grants, but it also

comes in the form of fares. Typically in a non-profit agency, the amount charged to the client does not cover the full cost of providing the service while the for-profit agency's regular charge to unsubsidized clients does include the full cost of providing the transportation service.

Another interesting point to be made about profit is that profits are what income taxes are based upon. Because a for-profit company pays income taxes, the government is able to give non-profit agencies the grants to provide transportation services.

I agree with the other speakers that there is a place in the transportation industry for the non-profit agencies and the for-profit agencies; however, frequently these places tend to overlap and it becomes very difficult to sort out which service is best equipped to do the job. I really believe the bottom line answer is more appropriately determined by the strength of the management rather than the task to be performed. There are good non-profit agencies operating transportation services very efficiently and there are good for-profit agencies operating transportation services very efficiently. However, there are also very poor non-profit agencies operating transportation services and the same holds true for the for-profit sector.

The first pre-requisite to effective communication requires a minimum of two willing participants -- the sender and the receiver. If either is not a willing participant then there will not be effective communication.

One of the major complaints of many small for-profit operators has to do with meetings. The small for-profit company is usually run by a close knit family. In the grocery industry this type of store would be referred to as a mom and pop shop. This is not a derogatory statement, it is only intended to imply that there is not a great deal of sophistication and the mom and pop are the only top management in the company and are responsible for all of the managerial functions that in larger companies are divided into various different individuals. To illustrate, the mom and/or pop is in charge of all maintenance on the vehicles and does much of the maintenance work, is the bookkeeper and does the billing, posting, accounting, payroll, and income taxes, the salesman, personnel director, the phone order taker, the dispatcher, etc.

A lot of the meetings that the private operator is required to attend have only one or two things to do, if any, with topics that concern them. Many times the small operator doesn't have enough time to sit through the whole meeting; however, many times the item that concerns the private operator is at the end of the agenda rather than at the beginning. Another problem the small operator has is with the agendas themselves. They are not specific enough and the operator cannot determine if something applies to him or not. The last major complaint dealing with meetings has to do with when they are scheduled. The private operator's peak times are during the first 10 days of the month, Fridays, early in the mornings and late in the afternoon. During these times, it is most difficult for the small

private operator to leave his business because he knows if the demand for service gets too high, he must drive one of the vehicles.

This is not to say that all meetings are bad. Meetings are an effective tool in educating the public and private operators of the various transportation alternatives which are available. This conference is an example of what I mean.

UMTA, ITA, APTA, state and local planning agencies have all sponsored workshops on utilizing the private sector. The ITA and UMTA, together in a joint effort have co-sponsored over 20 seminars in the past three years and have four more scheduled this fall. This does not include the regularly scheduled three meetings a year where private sector transportation is also discussed. This conference today is sponsored, co-sponsored, or held in cooperation with 10 different agencies. I suggest that five years ago or even three years ago, this meeting would not have been sponsored by this many agencies, if any.

I believe necessity is the mother of invention. As the federal government requires local government to consider the private sector, as the private sector learns more about contracting as an opportunity to expand its base of services, and as money from the various funding sources continues to dry up, the quantity and quality of communication between the private sector and the public sector will continue to increase.

As an example of how far we have all come, seven years ago I was in a meeting with some city transportation planners and the director of a non-profit agency and I wanted to get a backup contract with that agency because my company was fit, willing and able to provide transportation services and I didn't think this agency ought to get more 16(b)(2) vans to expand its services. The agency director looked at one of the transportation planners and asked him, "Is it legal for government to contract with private enterprise?" This individual was trying to come up with a legal reason why not to consider the private enterprise as a backup for his service. Fortunately it didn't work and the company got the backup contract.

I have also heard of agencies who get substantial amounts of money contributed each year because of their transportation program. However, because the check or the donation is not specifically earmarked for transportation they use the money in other programs.

Another one of my major complaints is that the staff of the public agencies, the experts who the policy makers look to for advice and guidance, frequently don't give all of the transportation alternatives to the policy makers. If the policy maker doesn't know that the private sector is an alternative and the staff member doesn't elaborate to its board, the private sector will never be looked upon as a viable alternative.

Another concern I have is with the surveys some public sector agencies send out. The example I have here with me today is a survey by an agency wanting 16(b)(2) vans. The only two questions this survey asked are; 1. Do you mind if we provide transportation services to the elderly and if so why? and 2. Are you interested in subcontracting with us? The survey does not give any information at all as to the type of transportation the agency is rendering, how much they're providing, when, where, etc.

Other speakers have talked about the RFQs and the APQs so I will not elaborate on those but I do endorse their comments.

My suggestions as to how the public sector could improve communication with the private sector are as follows: 1. Put the items dealing with the private sector at the top of your agenda. 2. Make agendas specific. 3. Call the private operator the day before to remind him of the meeting and to see if he has any preliminary comments. 4. Don't call meetings during the busy peak times for the private operator. 5. Keep up conferences and workshops like this one and hold some in your own area.

Use PPTN and the experts it has, such as other private operators, to come in as consultants. Your local private operators may be much more responsive to another private operator than to someone "from the government sent to help them."

Disseminate all of the information you can about contracting to your local policy makers. Subscribe to the Private Sector Brief, Passenger Transport, Community Transportation Reporter, or similar magazines and newspapers which report successful contracting situations.

Make your bid specifications specific and don't ask for a major commitment from the private sector if you are not willing to give one yourself.

Send out letters to your private operators in addition to running your legal notices in the newspaper. How many people in this room read the legal notice section of the newspaper except to see if when you run a legal notice whether or not it makes it in the newspaper? (Let the record show no one raised their hand.) I suggest to you that most private operators are no different than those of us here in the room and yourselves, and we don't read the legal notice section of the newspaper that frequently either.

Do not require that reports be turned in within the first 10 days of the month for the previous month. This puts hardship on the private sector to get the reports done at the same time that is his busiest time of the month. Either require weekly reports or give him 20 days to get the monthly report in to you.

Pay the private operator within a very few days of getting the report and verifying it. The private operator works on a very tight cash flow and doesn't have the ability to carry several hundred or several thousand dollars of accounts receivable for any period of time. This is a very big problem that a lot of non-profit agencies don't understand.

Remarks By:**Sanford Cross****Assistant Director****Public Transportation Division****North Carolina Department of Transportation****Raleigh, North Carolina**

In order for the public and private sectors to communicate effectively, there needs to be two things. First, there needs to be a transmission of information and, secondly, both sectors need to understand the information being transmitted. While this may sound simple, effective communication is not an easy task to accomplish.

During the past several years, the North Carolina Department of Transportation Public Transportation Division (NCDOT PTD) has increased its private sector efforts and a primary focus of our efforts has been on developing more effective methods for communicating. Through an UMTA sponsored Private Sector Demonstration Grant, we have (1) planned and conducted meetings and workshops, (2) determined and eliminated barriers to contracting, (3) provided technical assistance to public and private operators, and (4) developed and provided resource and informational material. Overall, as a result of our grant, we know we have raised the level of consciousness about contracting. Also, as a result of our activities and experiences, we have gained a much better understanding of the potential for contracting and the various interests and capabilities of both the public and private sectors in North Carolina. Furthermore, our grant has helped us to realize that:

- there continues to exist numerous misconceptions about public and private operators;
- in order to overcome the obstacles created by misconceptions, we will have to continue to work toward educating public and private providers;
- in North Carolina the majority of our interest in contracting is from private management and operating companies;
- the majority of our public operators continue to feel threatened by contracting;
- the majority of bus operators understand how to go about developing contracting partnerships;
- contracting is occurring where private operators have been persistent;
- both public and private operators need ongoing support and assistance; and
- the consideration of contracting as a service alternative is going to be a long-term process, and need not be treated as a temporary phenomenon.

Within the NCDOT PTD our attitude toward contracting is that it is an option that should be considered. Once considered, the decision to contract or not to contract is a local decision. We have attempted to be as neutral and objective as possible in our efforts to provide private operators with the "maximum feasible opportunity" to participate in the planning and provision of services.

To determine what the public sector in your area needs to know to be able to communicate effectively with the private sector, I would suggest that you go home and determine what private operators are interested and available and then sit down individually and collectively and discuss contracting options. Also, remember that if you, the public sector, are not truly interested in evaluating contracting options, you will be wasting a lot of time and losing potential cost-effective opportunities by merely going through the motions.

In conclusion, I would say that prior to your developing the components of effective communication, you must develop an openness concerning the private sector and a willingness to considering contracting as a service option. At such time that you can objectively consider contracting, the process by which you communicate will be much more useful and effective.

Remarks By:

Pat Piras

Pat Piras Consulting Services

Lorenzo, California

COMMUNICATING WITH THE PRIVATE SECTOR

As the "token Yankee" at this workshop, I want to thank you for inviting me; hopefully, we will be able to overcome the communication barriers of my Pennsylvania/California accent. I also want to thank the Public-Private Transportation Network for sponsoring my trip here.

Relationships are often characterized in "courtship/marriage" terms. In a contractual relationship between public and private sectors, or between two private entities, the language of the contract sets the terms of "living together". However, the "courtship" phase, or getting to know a prospective partner, is also important.

Further, communication is not only a "two-way street", but is also a two-way responsibility. As a public or private agency which is planning to contract for service, you have every right to expect certain kinds of information and behavior from potential and selected contractors. At the same time, you have an obligation to provide a clear and well-defined description of your transportation service and what you expect from the contracting experience. What you don't want is a repetition of the famous line from Cool Hand Luke -- "What we have here is a failure to communicate."

The fundamental tool which announces to the world that you are soliciting a potential contractor is generally referred to as a Request for Proposals, often called an RFP. (Sometimes an Invitation for Bids or a related term is used, depending on your local law or agency process. For simplicity, the RFP reference is used in this paper.) An RFP should lay out a background description of the existing service and service area, the requested scope of work, the selection process, and related terms and conditions. Often a draft contract and budget limitations may be included.

Before you decide on whether or how to contract, it is often useful to get to know potential contractors -- particularly in your own area, but also on a wider geographic scale (especially if your potential contract amount is significant). Knowing the capabilities or limitations of local private companies can help you to determine whether your contracting expectations are reasonable. Also, if you are planning to draw on "boilerplate" RFP language, you may want to simplify some standard terms and conditions to be more compatible with your target market. You should not exclude any potential qualified bidders.

Another helpful approach, even before you develop your contracting plans, is to **begin** to educate local providers (as well as the public) on the complex terminology and

alphabet soup of transit funding and operations. Both your RFP and any related presentations to your Policy Board can be more readily understood and, perhaps, less likely to be challenged. Your RFP should not be couched in "bureaucratese" such as that shown in Figure 1!

Fairness is a concept that pays off for all involved. Don't expect too much -- or else, be prepared to pay for it. In establishing a competitive bidding or proposal situation, be sure the same information is available to all parties. Selection criteria should be developed that allow each prospective bidder the same opportunity to succeed, with the decision determined by the quality or price of their own efforts.

The importance of language and communication in the contracting partnerships can be seen even in UMTA's changing references to their private sector initiative -- first, it was called "privatization", then "competition", and more recently the emphasis is on "partnerships". This latter attitude has generally been more palatable in public forums.

And the decision to contract is often, in reality, a marketing exercise. You may need to "sell" your service to contractors as one that they are willing to take on. At the same time, your local constituency (users, politicians, etc.) may often have strong opinions on the contracting decision itself, as well as the eventual selection.

Attitudes can be particularly important in the success or failure of a contracting relationship. If you enter into a contract because "they made me", you are less likely to achieve either a successful working partnership, or a positively-presented service. The enthusiasm and collaborative attitude which you bring to a contracting relationship may be fundamental elements in the public perception and success of the program.

The concept of a profit-making enterprise is often treated with disdain. "For-profit" or "non-profit" is a status determined at a corporation's inception, dealing largely with tax considerations. There is a common feeling, particularly among small entrepreneurs, that "I didn't intend to be non-profit, but..." It is important to remember that revenue from income taxes on company profits goes into the federal General Fund, which in turn is the source for UMTA Section 18 money. So, in effect, the profit motive is directly contributing to national transit funding!

In order to fully and fairly communicate with potential private contractors, you must first answer some major questions yourself, and be prepared to spell them out in your RFP:

- What exactly do you want? -- and what you don't want.
- What do you want? -- and what do you need.
- What do you expect from the contractor?
- What will you provide to the contractor?

FIGURE 1

A Bureaucrat's Guide to Chocolate Chip Cookies

By Susan E. Russ

Special to The Washington Post

FOR THOSE government employes and bureaucrats who have problems with standard recipes, here's one that should make the grade — a classic version of the chocolate-chip cookie translated for easy reading.

Total Lead Time: 35 minutes.

Inputs:

- 1 cup packed brown sugar
- ½ cup granulated sugar
- ½ cup softened butter
- ½ cup shortening
- 2 eggs
- 1½ teaspoons vanilla
- 2½ cups all-purpose flour
- 1 teaspoon baking soda
- ½ teaspoon salt
- 12-ounce package semi-sweet chocolate pieces
- 1 cup chopped walnuts or pecans

Guidance:

After procurement actions, decontainerize inputs. Perform measurement tasks on a case-by-case basis. In a mixing type bowl, impact heavi-

ly on brown sugar, granulated sugar, softened butter and shortening. Coordinate the interface of eggs and vanilla, avoiding an overrun scenario to the best of your skills and abilities.

At this point in time, leverage flour, baking soda and salt into a bowl and aggregate. Equalize with prior mixture and develop intense and continuous liaison among inputs until well-coordinated. Associate key chocolate and nut subsystems and execute stirring operations.

Within this time frame, take action to prepare the heating environment for throughput by manually setting the oven baking unit by hand to a temperature of 375 degrees Fahrenheit (190 degrees Celsius). Drop mixture in an ongoing fashion from a teaspoon implement onto an ungreased cookie sheet at intervals sufficient enough apart to permit total and permanent separation of throughputs to the maximum extent practicable under operating conditions.

Position cookie sheet in a bake situation and surveil for 8 to 10 minutes or until cooking action terminates. Initiate coordination of outputs within the cooling rack function. Containerize, wrap in red tape and disseminate to authorized staff personnel on a timely and expeditious basis.

Output:

Six dozen official government chocolate-chip cookie units.

Your answers to these questions will help to determine how attractive your contracting opportunity is to a potential bidder, and how likely their response will be to satisfy your objectives. At a minimum, you have the right to expect specified levels of performance, in a professional manner, from your contractor and any contract staff. At the same time, you have the obligation to provide monitoring, timely feed-back, and follow-through on issues raised by the contractor or public. Remember, however, that in the end, you and your system are the client -- the contractor will be working for and with you. Your ability and willingness to make and convey decisions will direct the outcome of the contractual relationship.

Talk to other systems who have gone through a bidding process. How did it work out for them? What did they learn from the experience? What would they have done better a second time around?

In developing the contractual elements, pay attention to reporting requirements and timing. What information is most important for your agency to provide to its policy board and funding agencies? What data will be directly available from the contract operations? How soon do you need to report it to others? Remember that the first few days of each calendar month are often the heaviest use of service, and you want to avoid "splitting" the contractor's attention, if possible.

In evaluating a potential contractor, the terms "responsive" and "responsible" are often confused. Responsive means -- Does this proposer do everything they were asked to do in the RFP? Is their proposal complete, both procedurally and substantively? Do they answer the questions that were asked, rather than providing something extraneous?

Responsible, on the other hand, means -- Will this proposer be able to perform, as requested and as proposed? Do they have the financial and management capability to be in existence throughout the term of the contract? You do not want an organization that does not have long term management and financial stability.

In determining whether a potential contractor is responsible, it is often useful to conduct "reference checks". In your RFP, you should ask for all contracts that the respondent has held in the past three-or-five years, either in your general (expanded) geographic region, or for a comparable dollar amount. Do not leave it up to the respondent to merely suggest names that they expect will give them a positive recommendation! The results of such reference checks should be carefully conveyed to your Policy Board, if necessary in a closed session. Unsuccessful bidders have been known to bring personal lawsuits against transit personnel on the basis of public disclosure of negative references!

Finally, two documents that can be especially helpful in developing a contracting process are available free from the Public-Private Transportation Network (PPTN):

- 1) Organizing and Conducting an Effective Pre-Bid Conference
- 2) A Compilation of Performance Standards, Penalties and Incentives for Use in Contracted Transit Services

NOTE: Figures 2 and 3 on the following pages show two different overviews of the contracting process and relationship. They were prepared by other consultants, but present excellent summaries of information. Figure 2 is based on a presentation by Jon Monson of CTS/DAVE. Figure 3 was developed by Price Waterhouse.

Figure 2: Contract Cycle

1. Pre-Proposal Stage
 - Define Agency Goals
 - Define Levels of Service
 - Define Budget Available
 - Determine Agency/Contractor Responsibilities

2. Request For Proposal (RFP) Stage
 - Determine Specific Work Scope
 - Define Contract Terms
 - Allow/Disallow Alternate Proposals
 - Determine Selection Criteria
 - Develop Proposal Schedule
 - Pre-Proposal Conference
 - RFP Addendum
 - Proposal Receipt
 - Contractor Selection
 - Contract Negotiations

3. Operations Stage
 - Startup
 - Evaluate
 - Feedback Positive/Negative
 - Contractor Recommendations
 - Ongoing Relationship

FIGURE 3

GENERAL CONSIDERATIONS FOR THE CONTRACT

- Clearly Define The Service For Both Parties
- Fairly Allocate The Risk For Things That Could Go Wrong
- Give Written Assurance To Your Contractors That You Are Legally Bound To Do What They Expect
- Protect Yourself By Allowing You To Evaluate, Disclaim, Or Manage The Risks Of The Service, As Appropriate
- Create A Good Business Relationship Between Agency And Contractor

Keynote Welcomes and Address

This session expressed additional welcomes to the Workshop participants.

Ms. Wilhemnia Bratton, Member of the City Council of The City of Asheville welcomed the participants on behalf of the City.

Ms. Mary Jayne Vincent welcomed the participants on behalf of the Public-Private Transportation Network (PPTN). She noted that PPTN was pleased to have been able to sponsor the travel of several of the Workshop speakers. Additionally, she described the services offered by PPTN and provided contact information for the participants.

Mr. Sanford Cross welcomed participants on behalf of the State of North Carolina and the Department of Transportation in particular. He also noted the complex differences among the various barbecue preparation techniques practiced in North Carolina.

The Keynote Address was provided by Mr. Brien Benson, Associate Administrator, Office of Budget and Policy, Urban Mass Transportation Administration, U.S. Department of Transportation, Washington, DC. Mr. Benson's Keynote Remarks are reproduced on the following pages.

Professor F.A.P. Barnard (aka Dr. Dan Turner) of The University of Alabama, welcomed the participants on behalf of the Transportation Systems Management Association. The Professor also provided a history of engineering instruction at The University. His remarks were accompanied by a slide show, and are reproduced following those of Mr. Benson.

Keynote Address By
 Brien G. Benson
 Associate Administrator for Budget and Policy
 Urban Mass Transportation Administration
 United States Department of Transportation
 Washington, D.C.

STATEMENT TO REGION IV CONFERENCE

It is a real pleasure to be here. I am looking forward to enjoying the pig picking and a stay over this weekend to enjoy the Great Smokies.

Nestled in this gorgeous rural setting, some of you may be wondering what the Urban Mass Transportation Administration is doing here. Well, of course we do have many responsibilities beyond urban boundaries -- our Section 18 Program and much of our Section 16(b)(2) funds go to Suburban Mobility; and with other special programs we address rural and small city issues.

Actually, our Administrator, Alfred A. DelliBovi, when asked at a rural congressional hearing if the name UMTA is still relevant replied, "If we had it to do over again, we should leave off 'Urban' -- because of our many suburban and rural programs." I would add that we should leave off "Mass" because so many of our initiatives concern carpools, vanpools, minibuses, and other non-mass transportation modes.

We at UMTA, as most of you know, are strongly committed to private sector involvement in providing transit services for two reasons.

First, because we have seen it work in case after case -- often providing better and cheaper service than was otherwise available.

Second, because all of us who care about transit must be looking for ways to cope with the inevitable decline in federal revenues that will be available in coming years. It is clear that whatever party wins the presidency this year will continue to face large budget deficits, putting strong downward pressure on transit spending.

We have four special grants programs to encourage private sector involvement which I would like to discuss briefly. In case you would like to discuss any of these with me I will be around all day tomorrow.

First, Entrepreneurial Services. These grants provide start-up money to small operators, typically with half a dozen vehicles, to provide a specific type of service, such as express commute, reverse commute, or special circular service. The operators are expected to become self-sufficient in three years, drawing on fare box and subsidies from a local private organization.

Second, Competitive Services. I just returned from Los Angeles, where a competitive services project is showing better, cheaper service on half-a-dozen important routes.

Third, Suburban Mobility. These are generally grants for transportation management associations -- both public and private -- that are coping with congestion and other mobility problems. An interesting experiment in Los Angeles would guarantee transportation home during mid-day or late evening to morning carpool users of a freeway HOV lane.

Another Suburban Mobility experiment will support laundry and food shopping services at employment centers in a small Southern California town where such services are not now available. We hope this will encourage carpooling by people who might otherwise have driven individual automobiles to work so they could do shopping during mid-day.

Fourth, we have joint development financing programs encouraging public and private groups to join hands in facilities projects such as bus garages, leasing, bus and rail car leasing, and construction of rail and roadways.

All of these programs take hard work -- and lots of work -- and I know that you at this seminar are digging into exactly the kinds of nuts and bolts problems that we need to address.

I would particularly underscore the importance of your Communications Workshops, because we have found frequently that this is a serious problem in getting public and private parties together.

Thank you for your interest.

Remarks By:

Professor F.A.P. Barnard
The University of Alabama
Tuscaloosa, Alabama

A VISIT FROM THE WORLD'S OLDEST ENGINEERING PROFESSOR

The entertainment at the first evening's reception was provided by Dr. Daniel S. Turner of The University of Alabama. Dr. Turner presented his humorous, one-man show about the beginnings of engineering education in Alabama. The University is in the midst of the celebration of the 150th anniversary of engineering education on campus, making it one of the oldest engineering programs in the United States.

Dr. Turner was dressed in the attire of an 1837 college professor, and his dialogue and accent were tailored to fit the time period. He used slides to illustrate the importance of transportation in the beginning of engineering education as he impersonated the first man to teach engineering in Alabama. His humor was directed at the irony of classical education in a frontier setting and at the contrast between 1837 and 1987. Much of the material in his remarks was taken from a book that the College is having prepared to document its history.

PROFESSOR FREDERICK AUGUSTUS PORTER BARNARD

This man's eccentric nature, his roughish impulses, his determination to finish first in everything he did and his superior intellect made him a one-of-a-kind genius who was beloved and admired by all who knew him (except the University president!). One hundred years after he left the University, he was still acknowledged as her greatest scholar, most brilliant scientist and best teacher.

Professor Barnard was known to his friends as "Old FAP." He was highly respected as an exceptional scholar and teacher and was the first man to teach engineering in Alabama. He graduated from Yale College in 1828 and taught at The University of Alabama from 1838-1853. His major subjects were natural philosophy (science), math, astronomy and chemistry. He moved to the University of Mississippi in 1854 and shortly thereafter became its president. He left the South in 1861 at the beginning of the Civil War. In 1865, he was named President of Columbia University in New York where the Barnard School is named for him.

Barnard pioneered the study of astronomy at The University, completing an observatory in 1844. He built the observatory using a cash prize he received from the States of Alabama and Florida following his successful survey of their common (and disputed) boundary line. He ordered astronomy instruments from London in 1840. They arrived at Mobile but could not come up river because of low water in the Warrior River.

The president refused to allow him to travel to Mobile to pick them up. When they arrived the next year they were tarnished and rusted. This led to one of many disagreements between "Old FAP" and the president.

He was a trifle eccentric with a "heart and eye bent on the enjoyment of every legitimate pleasure of the hour." He was the best at everything he ever did. The president noted in his diary that Barnard "wrote the best sonnet, wrote the best love story, took the best picture, charmed the most women, caught the most trout, calculated the best almanac and was the best of anything else he wanted to do."

He was a believer in the classical theory of education and was a student of Benjamin Steelman, the most influential American scientist of the day. He generally felt that the way to teach was to have a student read a textbook and then present himself to the professor for a "recitation" of what he had learned. Barnard was not good at field projects and teaching engineering was not one of his top priorities. Instead, he spent eight years devoting much of his energy to the building and equipping of the Observatory. Although he was assigned the job of teaching Civil Engineering, he often had it taught by his assistant, the tutor of mathematics, Arnoldus V. Brumby. As a result, he and the president were constantly at odds with each other.

Professor Barnard was a man of unusual attainment and untiring energy. He carried out his full assignment and was able to assist other departments as well. One example will illustrate his unique personality. He was the owner and editor of Tuscaloosa's leading newspaper. He was a supporter of the Whig Party. At the same time, he was the anonymous editor of the state Democratic newspaper, often writing an editorial in the Democratic paper and answering it in the Whig or Tuscaloosa paper in the same day. Due to his style and flair for living he was in demand for public speeches throughout the state. He brought great scholarly credit to The University.

FIRST ENROLLMENT AT THE UNIVERSITY

On April 12, 1831, The University admitted 35 young men. Some were the sons of the State's aristocratic families, while others were the oldest sons of men who "had made a lot of money in a hurry" and were trying to gain respectability. Many paid their tuition in commodities, including hogs and furs.

The University was attempting to teach in the classic European mold, while its students were spirited young men from the raw frontier. This mixture of sophistication and red-blooded, raw enthusiasm produced curious results. A letter one of the students wrote home on his first day at The University illustrated this point, "Having been used to a one

room, log cabin schoolhouse, when I stood next to a three story building, and it of brick, and with glass in the windows, I never felt so scholarly."

UNIVERSITY CURRICULUM

All students took the same classes. The first two years were devoted to Latin and Greek, with an added emphasis in mathematics the second year. The last two years saw the addition of natural science and modern language to the previous subjects. There were no options in the study topics.

TUITION COSTS

Tuition was \$30 per year with an additional \$10 charged for room, rent, fuel and other amenities. The meager income from these fees was added to the interest generated by an endowment (from the sale of federal lands) to provide funding for the University. Salaries at this time were \$3,000 for the president, \$2,000 for professors and \$1,000 for tutors.

In 1837, panic and a financial depression hit the state. Land speculation became less profitable and English investors withdrew their capital from the state bank. The Bank of Alabama became insolvent, taking with it all the funds of the University of Alabama.

It is interesting to note that in the same year that the state bank became insolvent and the University became bankrupt, it chose to create an engineering program.

With no funds, the University could not afford to buy surveying instruments or other lab equipment with which to teach engineering. Today, engineering deans from across the United States will gladly indicate that the situation has not changed in 150 years. There is still not enough money to buy lab equipment.

STUDENT CONDUCT

The high aspirations of the University and the rowdy, frontier nature of the students was a volatile mixture. In 1834, the president indicated that a band of students that he was disciplining chased him across the campus, throwing bricks at him and firing pistols. By the grace of God, he found an open dormitory window through which to dive and thereby preserved his life.

1837 was a particularly bad year for students. Six were suspended by the president for visiting a circus. The remaining 40 students rallied around their friends and admitted that they had also gone to the circus. The president expelled all of them, and for some time,

there was no one on campus except the professors (that's the way professors like it anyway!).

In 1845, students perpetuated a heinous crime. Students on the top floor of a dormitory used mirrors to flash sunlight into the faces of young ladies as they rode by in their surrey. This shocking behavior troubled both the president and the faculty, and the president was compelled to expel the entire student body.

In 1900, students (who were now military cadets) barricaded themselves into a dormitory, wrapping it with barbed wire. For three days they laid on the third floor porch and shot at faculty members. After the Chairman of the Trustees approached on horseback waving a white flag, they unwrapped enough barbed wire to allow him inside to negotiate. The students stopped their protest, but the next day, the president and the commandant of the cadets were dismissed.

EARLY ENGINEERING PRACTICES

In the early 1800's, the only engineers in the United States were military engineers educated at the U.S. Military Academy. In 1835, Rensselaer Polytechnic Institute of Troy, New York, graduated the first civil engineer. The term "civil" implied that the engineer would build civil works as opposed to military works. In 1836, the University of Virginia added a civil engineering program, and in 1837, William and Mary and the University of Alabama added similar programs.

Engineering was quite primitive. Iron bridges would not come into existence for another ten years. The scientific calculation of stresses and strains would not be demonstrated for 15 years. It would be 20 years before cast iron would be used. Modern engineering principles were not in existence.

THE CANAL BOOM

The Erie Canal had been the butt of cruel jokes and a constant topic for editorial pages during its nine-year construction. Upon its opening in 1825, the price of freight plummeted and it was an immediate financial success. Suddenly, everyone in America wanted a canal. In Alabama, nine canals were chartered in five years, including one to connect the Tennessee River with Mobile, hundreds of miles away. This feat was impossible and would have been tragically expensive; however, there were no engineers to design the work or to estimate the cost. Consequently, one group set out to build this canal.

THE RAILROAD BOOM

The first successful commercial railroad initiated operations in South Carolina in 1831. Railroad fever overcame everyone. In Alabama, every cotton planter dreamed that a railroad could help him be the first to get his cotton to market and thus to ensure enormous profits. As a result, the Legislature chartered 29 railroads in five years; however, there were almost no engineers to perform route surveys, design these railroads or construct them.

EARLY ALABAMA ENGINEERS

Only three men are known to have practiced engineering in Alabama in the 1830's. Andrew Dexter was a surveying specialist who was called upon to survey the route from Mobile to the Tennessee River. After beginning the work, he was finally able to convince the company that hired him that such a canal could not be constructed.

David Dressler built the first railroad in Alabama, a two-mile long line to connect a city with a river so that cotton could be shipped more easily.

The third and most accomplished civil engineer in the State of Alabama was a slave named Horace. Horace was "the most extensive and successful bridge builder in the South." His skill as a bridge builder was so acknowledged that he was called upon to construct the beautiful spiral staircases in the Alabama State Capitol.

Horace was made a free man and was allowed to live in Alabama through a special act of the Legislature in recognition of the quality of his work. Horace the slave, the man who was prevented from getting an education, became a master engineer through sheer desire. He had a burning, overwhelming desire to learn and to serve other people. We must admire his accomplishments, but even more we must admire his tenacity in the face of discouragement.

SUMMARY

This thirty minute presentation revealed the importance of transportation and public works in the growth of engineering and in the growth of the Southeast. The importance of canal building and railroad construction was strongly emphasized. Transportation provided the backbone upon which the new nation developed.

Dr. Turner closed his humorous presentation by pointing out that the participants had a duty to continue to make transportation the backbone of growth. He called upon them to consider the legacy that Horace King left his grandchildren. Horace was a man with enormous restrictions who had a goal, a man who had the desire to reach the goal and a

man who succeeded beyond the wildest imagination of anyone who knew him as a young man.

Participants were encouraged to make their legacy that of Horace King, that they helped their fellow man and that they overcame obstacles to do so. At the same time, Dr. Turner encouraged each participant to have the attitude of Professor F.A.P. Barnard, to never finish second in anything and to always enjoy life to the fullest.

Workshop Three: Public-Private Partnerships for Capital Needs in Small and Medium Sized Communities: Urban and Rural

This Workshop focused on joint development arrangements which can be done with bus system transfer facilities in low density/small urban areas. The Workshop was most beneficial to systems with plans for transfer facilities but had value to others in that it stimulated thinking of new options.

Ms. Kayle Norton, Northwest Alabama Council of Local Governments, Muscle Shoals, Alabama

Mr. Rick Sparer, Lexington-Fayette Urban Government, Lexington, Kentucky

Mr. Sheldon Kinbar, Urban Mass Transportation Administration, Philadelphia, Pennsylvania

Remarks By:

Kayle Norton

Transportation Director-NATA

Northwest Alabama Council of Local Governments

Muscle Shoals, Alabama

GROUND TRANSPORTATION CENTER/EXHIBIT HALL/OFFICE BUILDING JOINT DEVELOPMENT PROJECT

Introduction

Florence, Sheffield, Muscle Shoals and Tuscumbia (the Quad Cities) will be the first cities in the State of Alabama to propose a joint development Ground Transportation Center under the Reagan Administration's Private Sector Initiatives Program. In keeping with the spirit of that program's goals, the Ground Transportation Center would exemplify how cooperative effort between public and private developers can strengthen an area.

In the months since the initial announcement, the Ground Transportation Center has already had significant impact on the Quad Cities. It has fostered the development of a plan to revitalize the economy and provide a better quality of life for the citizens of Sheffield through the "Senior City" designation by the Alabama Legislature. The Ground Transportation Center is in a tax financing district, meaning that most of the tax proceeds could be invested in public improvements, an estimated \$5 million dollars worth of taxes would be raised over the next ten years. During the same period, the City estimated that the transit project will spur over \$85 million in area private and public investments. This would be a substantial return on the initial investment.

The Quad Cities have long been the primary manufacturing, trade and distribution center for the three-county surrounding area in Northwest Alabama. Its main industry, in terms of employment, is manufacturing which involves over 28% of the population.

Nevertheless, like most cities, the Quad Cities have had to adjust to changing patterns of development, particularly to the economic recession, as population, service and manufacturing industries closed or moved to other areas. To discourage this abandonment and to reinforce its tradition as a strong employment area, the Cities began an ambitious system of development in the early 1980's. This first cycle of development was in conjunction with the building of a \$3 million privately financed retail mall, a major hotel in Sheffield in 1981, followed by a second major hotel in Muscle Shoals.

A new image is shaping up for the Quad Cities. In 1988 the Tennessee Valley Exhibit Commission was granted the authority to sell bonds to construct an exhibition complex consisting of an observation needle with a restaurant and space to exhibit Tennessee Valley History.

Thus, the Cities are getting ready to begin a second cycle of development. The Patton Island Corridor Project would connect virtually all of Florence with Muscle Shoals and Sheffield and make all the business districts more easily accessible. The Cities also actively seek private developer interest in the area. A Joint Development/Ground Transportation Center project could become the gravitational center for this cycle of development. Its private components, whether office or commercial, would help anchor the economic plan and generate spin-off developments of their own. Moreover, an attractive center for the Cities and intercity transit would be in its own right, a hub of area activity.

The improvement that a Ground Transportation Center would make in the Quad Cities transit system is unquestionable. Existing local service has no terminal. Urbanized ridership utilizes parking lots and curbside waiting areas. Intercity carriers operate from various locations, none of them offering much in the way of passenger convenience or comfort. The Ground Transportation Center would centralize all transportation modes, city and intercity vehicles, taxis, special services for the elderly and the handicapped and link the rural ridership with the urban area. All citizens would have access to a safe, climate-controlled center and to an integrated transit system.

Ground Transportation Center Feasibility Study

The Northwest Alabama Council of Local Governments (NACOLG) obtained Urban Mass Transportation Administration (UMTA) Section 9 funds to conduct a feasibility study. NACOLG worked closely with the Alabama Highway Department and the Public Private Transportation Network sponsored by UMTA to design the Request For Proposals (RFP) submitted in April, 1988. The RFP reflected:

1. Site Selection - The proposed site is a single parcel of land directly in the heart of the Quad Cities and adjacent to the Seaboard System Railroad and the Southern Railway. The City of Sheffield and the Tennessee Valley Authority have offered this 12.1 acre site to be used for development. The site is compatible with existing transit routes, is close to major places of employment, is easily accessible to buses and other vehicles, and is consistent with local development goals.
2. A Functional Site Plan - This preliminary plan is based largely on an analysis of potential transportation needs (including intercity bus carriers, transit buses, taxis, private autos, and special services for the elderly and the handicapped). Although the final shape and scope of private development in the overall plan has not yet not determined, private investors have proposed various retail and office projects.

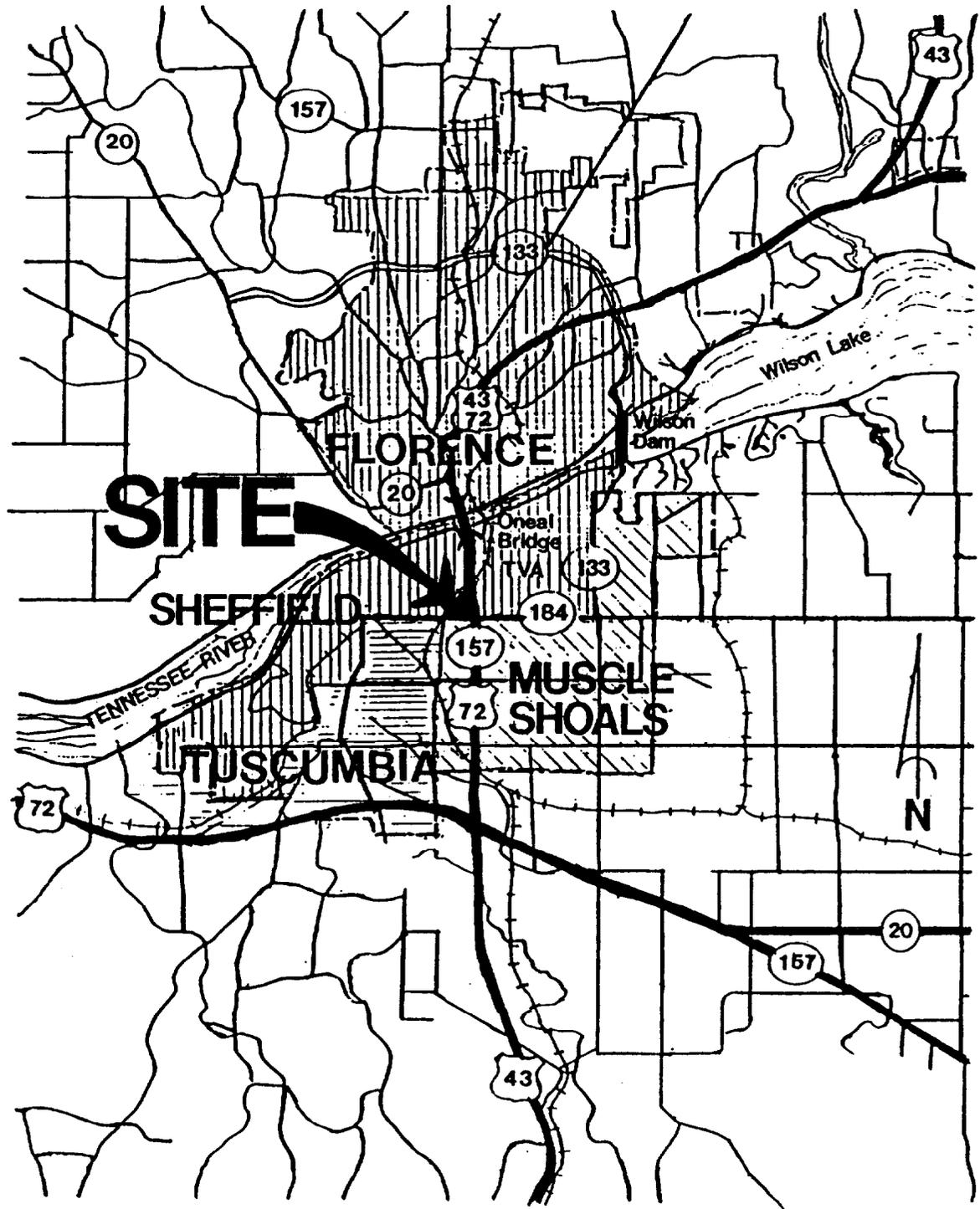
3. Cost Estimates - Construction costs, including architectural and engineering fees, site preparation and a 10% contingency fund are estimated at \$7,184,710.
4. Recommendations - The feasibility study will recommend the following steps:
 - a. The project should choose one of the three scenarios for terminal and joint development as soon as the feasibility study is complete.
 - b. The project should investigate administrative and financial arrangements for building and operating the complex. One arrangement could be as follows:
 - City of Sheffield and the Tennessee Valley Authority transfer the land for purposes of building the terminal.
 - Project obtains UMTA grant for ground transportation center.
 - Project prepares Developer's Kit and request bids for development rights to include exhibit hall and office space. Under this arrangement, the project would lease development rights to a private entity.

Facility Planning

The Ground Transportation Center's architects have a variety of design requirements to satisfy. To begin with, the terminal should have a strong architectural identity in order to establish its image as a gateway to the Cities. This prominence would in turn help attract secondary development in the area. At the same time, the terminal should be compatible with its surroundings, that is with planned and existing development and with the areas significant natural systems.

To meet its fundamental goals of encouraging greater use of mass transit while promoting private sector development, the Ground Transportation Center plan will accommodate several different uses. Early in the planning stages the local governments involved proposed to build three separate projects on the site: an exhibit hall with restaurant facilities to accommodate 1200 people, office space for five social service agencies and a bank. The necessary parties have now expressed interest in locating in the proposed center.

Figure 1 -- Vicinity Map



MASS TRANSIT TERMINAL / EXHIBITION HALL / OFFICE COMPLEX FACILITY

Preliminary Design

A local firm prepared a preliminary concept design and cost estimates for the facility. The proposal lists the following objectives to be maintained as the guiding principles for the project's overall design:

- The Project must reflect the spirit of the area, and the building must be an inviting, active public place;
- The Ground Transportation Center must be a credit to the community, and the Center must be a humane place, a new source of civic pride;
- The Center must enhance the experience of bus transportation, and the image will differ dramatically from the traditional bus terminal image of the past;
- The Project must project a sense of security to its users and be convenient;
- The Center must be energy efficient; and
- The Center must be a totally intergrated design; and the relationship between private and public sector components must be harmonious, both visually and technically.

In order to keep the various private and public transportation systems operationally distinct, the two transit elements (the public transit system and Greyhound and intercities carriers) should be housed in separate terminals divided from each other by limited access areas. The plan should provide for a taxi pick-up/drop-off area, and an area for special minibus transit services. To accommodate the park-and-ride traffic, transit ridership and patrons, the project plans to build a 350 car parking lot directly adjacent to the facility. Because of the apparent advantage of on-site maintenance, the project also plans to construct a 15,000 square foot vehicle maintenance and storage building.

The passenger terminal itself is to be heated and air-conditioned with space for personal passenger amenities, as well as separate entranceways and lobbies for Greyhound and office space. Terminal space needs, based on peak hour use estimates for cities and intercities buses, taxis, mini-buses and park-and-ride on planned passenger amenities, and on space estimates for offices, storage areas and mechanical system, are 20,000 square feet.

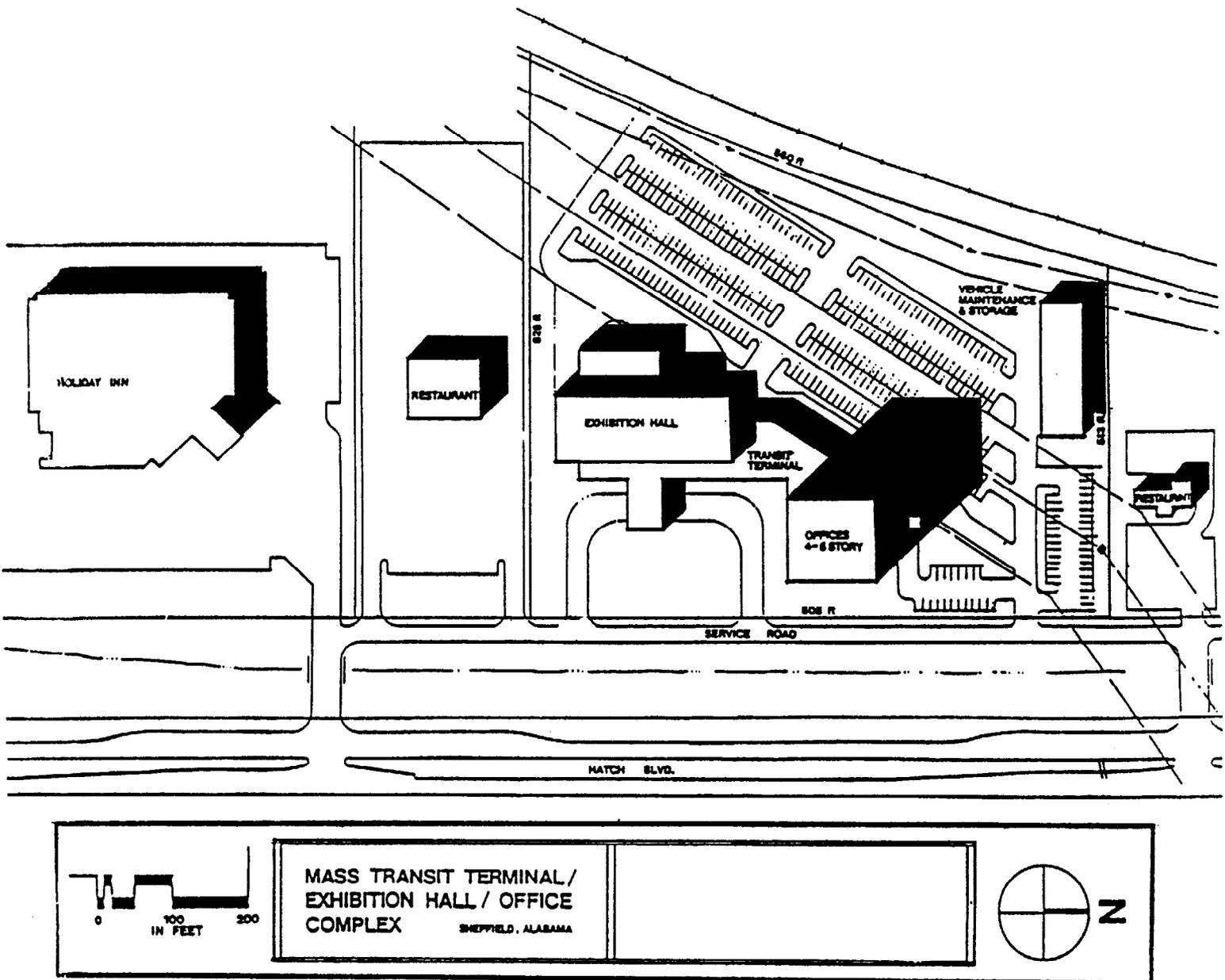
Private Components

An office building and exhibit hall component is proposed adjacent to the Ground Transportation Center. These two components are: a three story office complex with a minimum of 30,000 square feet and a 28,000 square feet exhibit hall with kitchen. The project will utilize 15 to 20 year leases for potential office tenants. Proposed usages with square footage estimates are shown below. The proposed site plan is shown in Figure 2.

USE SCENARIO

A.	Ground Transportation Center:	Total	20,000 sq. ft.
	1. Docking Areas, Entrance Ways, Terminal, Office Spaces, Passenger Amenities, Driver's Lounge, Private Transportation Contractor's Spaces, Storage and Mechanical Systems.		
B.	Vehicle Maintenance and Storage Building:	Total	15,000 sq. ft.
	1. Ground Floor (Offices and Work Bays):	12,000 sq. ft.	
	2. Second Floor (Parts Storage):	3,000 sq. ft.	
C.	Office Building:		
	1. 3 stories at 10,000 sq. ft. per floor:	Total	30,000 sq. ft.
D.	Exhibit Hall/Kitchen:	Total	28,000 sq. ft.
	1. Exhibit Area/Ballroom	20,000 sq. ft.	
	2. Kitchen	4,000 sq. ft.	
	3. Pre-Function Area	4,000 sq. ft.	
E.	Other:		
	1. Bank (Part of Office Building):		5,000 sq. ft.

Figure 2 -- Site Plan



Project Coordination: Terminal, Office and Exhibit Hall

The separate components, the terminal, office space and exhibit hall will be bid as individual construction packages allowing local construction firms to be competitive. The project recognizes that special coordination will be required among the various architects, engineers, contractors, and owners involved such as actual contract limit lines, staging and related sequencing of construction activities.

Lease Agreements: Inter-City Carriers

The project will execute a 20 year lease with Greyhound/Trailways Lines, Inc. at fair market rate per square foot of leased space in the terminal. Greyhound/Trailways would be responsible for all property taxes on their leased area.

Local taxi companies anticipate an increase in intercity business and a growth in passenger interchange with benefits for everyone. For the four cities, the terminal will present a very attractive "front door" which will serve as a most gracious welcome for visitors.

The problems associated with centering the cities public transit will be, for the most part, anticipated and avoided when the terminal opens. For one thing, existing routes now have enough time built into them so that they will not have to change. An important aspect of public transit is maintaining ridership continuity. The terminal would not disrupt the public from their normal riding pattern. Vehicles will arrive together at the new terminal at specified times. This pulse system allows for maximum transfer possibilities between the different routes. It looks efficient and upgrades the image of public transit.

Drivers and dispatchers will be trained for the new facility. Drivers will be trained to use the new parking area for backups, loading and unloading. A dispatcher will always be on duty in the terminal during operating hours to sell tickets, to provide scheduling and route information, and to dispatch vehicles. The added safety, courtesy and service that the dispatchers bring to the terminal will facilitate its role as a public service.

Lease Agreements: Office Complex

Given the availability of the publicly owned site and private sector participation, NACOLG has proposed an adjacent office complex for its own headquarters, businesses, and social service agencies who have expressed an interest in locating in the center.

The lease between the office complex developer and the tenants will be for 10 to 15 years with three automatic five year renewals. It will call for an annual rent that is based on the cost per square foot.

The following is a list of service agencies in terms of their potential to become office tenants:

- Chamber of Commerce of the Shoals
- United Way

- Greater Shoals Area Convention and Visitors Bureau
- Shoals Economic and Development Association
- Northwest Alabama Council of Local Governments

A summary of leasing potential for other uses indicates interests from several additional businesses:

- Listerhill Credit Union
- AmSouth Bank
- Greyhound/Trailways
- Holiday Inn

Grant Process

In July, 1988, UMTA will receive a grant application for the Ground Transportation Center. The following information summarizes the grant's presentation of the key issues involved in the project.

Transit Analysis and Benefits:

The Ground Transportation Center would be another major step in the area's long-term program to improve public transit. Transportation service and patronage continued in an upward cycle through 1987, when door-to-door demand actuated service for the elderly and the handicapped program was begun. Both the Elderly Taxi Service and Dial-a-Ride operated at scheduling capacity almost from the beginning. With the addition of seventeen new vehicles to its fleet in fiscal year 1988, ridership levels showed another major increase of 13% to 15%.

Fundamentally, the Ground Transportation Center would provide a terminal which the existing service lacks. Public ownership of the facility would keep it safe, clean and attractive and ensure both continued and increased transit patronage.

A single point of transit convergence would also facilitate the Quad Cities system operation. Vehicles on most of the Cities regular routes would be scheduled to arrive at the terminal together, thus maximizing transfer possibilities to area destinations of work, school, trade or recreation. The routes would remain basically the same, with minor rerouting. Special service routes and express runs would be scheduled at intervals to correlate with regular routes. County services would be especially augmented by the many transit opportunities available upon arrival at the terminal.

Environmental Impact:

Flood Hazard: The proposed site is not located within the 100-year flood discharge limits and poses no issue.

Air Quality: The project's effect on air quality has been assessed for the grant proposal. According to the 1977 Alabama Air Quality Report, the levels for most air pollutants in the Cities were below the National Ambient Air Quality Standards (NAAQS). Nevertheless, annual hydrocarbon and carbon monoxide emissions from terminal generated traffic were estimated and determined to be well within the NAAQS.

Other Environmental Issues: Other environmental issues analyzed in the grant application will include the project's impact on noise levels, water quality, wetland, natural and scenic resources, endangered species, traffic patterns and zoning classifications. It is anticipated that the project would have no significant impact or require no significant changes in any of these areas.

Figure 3: Time Schedule and Possible Sources of Funding

GROUND TRANSPORTATION CENTER/EXHIBIT HALL/OFFICE SPACE

PROJECT CHRONOLOGY

June, 1988	NACOLG begins feasibility study
July, 1988	NACOLG submits request to set aside UMTA funds for planning, design and engineering
August, 1988	MPO accepts/rejects feasibility study
September, 1988	NACOLG submits grant
October, 1988	UMTA approves grant
November, 1988	NACOLG hires firm for design
May, 1989	Construction bids for project
June, 1989	Project groundbreaking
July, 1989	Construction begins
December, 1989	Final project close-out

LIST OF POSSIBLE FUNDING SOURCES

SOURCE	TYPE	ESTIMATED AMOUNT
1) Urban Mass Trans. Adm.	Section 9/3	Dependent on Match
2) Tennessee Valley Authority	12.1 Acres	\$500,000
3) Holiday Inn	Private Sector	375,000
4) Greyhound/Trailways	Private Sector	500,000
5) Community Development and Appalachian Regional Funds	State & Federal Funds	50,000
6) Listerhill Credit Union	Private Sector	500,000
7) AmSouth Bank*	Private Sector	500,000

*Possible Private Developer

Remarks By:

Rick Sparer

Senior Transit Planner

Lexington Fayette Urban County Government

Lexington, Kentucky

Editor's Note: This presentation was accompanied by a slide show and, for part of the presentation, an audio tape presentation.

Introduction -- Lexington is an urban county government with a population of approximately 200,000. Lextran operates 32 buses in the peak period with three contracted routes.

The approach we took was a team approach. This involved people from Lextran, Division of Planning, Engineering, Traffic Engineering, Finance, Mayor's Office, State DOT and other federal officials.

We found that there needed to be one person who would take the lead in keeping all of these people interested and working together on this project. This person we called the "Main Man." In this particular instance, I had the "honor" being this "Main Man."

Mission Impossible -- Joint Development of a downtown bus transfer facility.

Tape plays introduction to Mission Impossible show while slides of Lexington are shown.

Slides 1 & 2: Rick getting on bus and listening to tape recorder.

Hamric -- Good morning Mr. "Main Man." Lextran riders currently are crowding store fronts waiting for the bus. They are subjected to the inclement weather. Many have to walk several blocks to transfer to another bus.

Slides 3, 4, 5 & 6: Bus riders waiting on main street, Max looking at his watch waiting for bus and Max running after bus and waiting with an umbrella.

Hamric -- Downtown Lexington Kentucky is a rapidly redeveloping area. Potential sites for a downtown transfer facility are quickly diminishing.

Slide 7: Aerial view of downtown Lexington

Hamric -- Your mission Mr. "Main Man", should you decide to accept it -- is to be the catalyst in assembling a team of professionals consisting of the Mayor of Lexington, Director of the Office of Economic Development, Lextran, Planning, Law Department, a developer and other necessary personnel. You will lead this team in locating the best large location for public parking and a private developer to purchase the air rights. As always, should you fail you must face the appropriate consequences.

This tape will self destruct in five seconds. Good luck "Main Man."

Slide 8: Smoke from tape

"Main Man" takes over presentation

Slides 32 through 45 -- This mission begins in the Spring of 1985 and will involve the review of the transit plans, the analysis of seven potential sites, some too big, some too small or out of the way and then the one that is best -- Tom Woods/Auto Tech, slide 45 -- map of site.

This site is the best since it will serve the operational needs of Lextran, is within walking distance of 3260 employees and 1044 residents.

This area is the center of government activities, such as Government Center, Police Headquarters, Public Library, and the County Clerk's Office. Park Plaza Apartment building is adjacent to the site. It will be necessary to rebuild the Harrison Avenue Bridge and we will have to realign the intersection of Main and Walnut to improve pedestrian and bus access.

Slide 46 -- The "Main Man" begins to write the necessary reports. As the project progresses, the work piles up on the Main Man. Of course, there are the inevitable changes -- Al Lebeau says we have to do an environmental assessment -- an archeological study must be done to look at some ancient privies.

Slide 49 -- Cost estimates must be figured -- grant applications filed all the while the work piles up.

Slide 50 -- Phone calls back and forth to the developer, architect, Mayor, Lextran -- almost like talking on two phones at once.

Slides 51 & 52 -- The Main Man is always running to meetings and back from meetings trying to keep the developer and public officials informed as to the latest changes.

Finally, the developer and architect have some plans that should benefit everyone.

Slides 54, 55 & 56 -- The Main Man must present these plans to the Mayor and Economic Development Director and Planning, Law, Engineering, state and federal officials, and of course, Lextran.

Slides 57 & 58 -- Approval from the City Council must be received authorizing the local funds necessary for the project. Lextran Board must approve so that the UMTA funds can be obtained.

Slide 59 -- A cross section of the project shows how the difference in elevation between Vine and High Streets is used to our advantage. The Transit Center is out of view of the apartment building. Carpool parking and public parking and private parking have their own entrances. The apartment entrance and retail is shown at High Street level.

Slide 65 -- A small model and rendering shows how the project would look.

Slides 67 & 68 -- July 1986, developer and "Main Man" agree to the project -- developer will design and build the whole project and deed the Transit Center to Lextran for use of the air rights.

The developer gets the necessary cast from his funding sources.

Slide 69 -- The inevitable trip to Philadelphia to show UMTA just exactly what we are doing. All the UMTA officials are extremely helpful in making this project work.

Slide 70 -- The model is taken so that we can show how the project blends into the neighborhood.

Slide 73 -- After UMTA approval in September 1987, Lextran gladly hands over the funds to the Main Man so that the land acquisition phase can begin.

Slides 74, 75, 76 & 77 -- Benefits from this project include:

- The existing land use is under utilized as an auto dealership and auto repair shops.
- The bridge and a dangerous intersection needs to be improved and realigned.
- The south side of Vine Street is more of a barrier between downtown and the nearby residential areas.

As a result of this joint development project the City gets a transit center, a parking facility, a new bridge, and intersection improvements which represent \$14.1 million in public improvements and \$35 million in private development for a total of approximately \$50 million.

UMTA provides the seed money necessary to purchase approximately 50% of the land. The State and City supply the rest. The developer builds the Transit Center for the use of the air rights.

The developer gets the apartment building that is at the High Street level and out of view of the Transit Center. This provides the necessary link between downtown and the surrounding residential areas.

Side benefits are:

It helps revitalize Main Street through the removal of several bus stops. The new bridge provides access from the Transit Center and government buildings. The overall project provides a much higher and better use of the land.

A comparison of the costs indicates a savings of approximately \$2.5 million in funds through the joint development of the Transit Center and private sector. If a Transit Center was built alone on this site it would cost UMTA \$4.98 million. With the joint development, UMTA provides \$2.44 million and gets the Transit Center built for the use of the air rights. The Transit Center then becomes an integral part of a \$14 million public improvement and \$35 million in a private development project.

While it may have taken longer to work out the joint development, the overall benefits to everyone make the additional time and effort worth it.

Throughout this process, the real catalyst for the project has been the Mayor of Lexington. Without the City's support, the project would not have moved forward. Also, the good working relationship between the Mayor and state officials helped to get the necessary funding.

This project also requires that you remain flexible to deal with the numerous changes that occur and continue to occur.

A summary of the major aspects of the joint development process is as follows:

Identify potential sites

1. Under-utilized land uses -- surface parking lots, vacant buildings;
2. Proximity to existing bus routes, minimize additional bus miles;
3. Proximity to major employment, retail, residential; and
4. Potential for joint development.

Involvement of local leaders

1. Multi-discipline approach-Mayor, state officials, Transit Authority, Economic Development, Engineering, Traffic Engineering, Planning, etc.;
2. Find link to private sector through Economic Development, Planning; and
3. Find "Main Man" to provide a central contact and help define major issues for each group.

Funding Source

1. Local government;
2. Statewide Section 9 Carryover funds for areas under 200,000; and
3. Federal Highway Administration for ridesharing and related highway improvements.

Private Sector can assist in the following:

1. Land assembly;
2. Preliminary Concept Design;
3. Proposed joint development needs; and
4. Reduced cost to public sector.

Public Sector can provide:

1. Air rights at a reduced cost;
2. Better site accessibility-transit and if necessary, parking; and
3. Land assembly if necessary through condemnation.

Other issues that impact joint development process:

1. May take additional time to get grant funds;
2. Environmental assessment including potential archeological and historical studies;
3. Private Sector funding for their portion of the project;
4. Value of the sale or lease of the air rights;
5. Architect's contract for all or some of the work -- liability for the air rights project;

6. Comparison of saving and benefits of joint development; and
7. Any added cost so that joint development is possible.

Remarks By:

Sheldon A. Kinbar

Executive Office

Southeastern Area (Regions III and IV) *

Philadelphia, Pennsylvania 19107

As Brien Benson, UMTA's Associate Administrator for Budget and Policy, told you yesterday, UMTA currently has four major initiatives. These are:

Competition and Contracting;

Suburban Mobility;

Entrepreneurial Challenge Grants; and

Joint Financing.

I would like to elaborate on each of them.

1. Competition and Contracting

You heard some excellent presentations on this subject yesterday. I will not attempt to repeat any of that material. I will just add that the best opportunities for contracting out generally occur when new or restructured service is about to begin. UMTA also expects that each transit authority will perform a periodic review (perhaps once every three years) of all its operations to see whether any major restructuring is needed, and possibly contracting out would be in order.

UMTA expects that services will be contracted out to the private sector whenever the private sector can provide the same service at lower cost. When it comes to comparing costs, UMTA expects the public agency to consider its own fully allocated costs rather than marginal costs. Fully allocated costs should be used as a basis for comparison because, in order to produce any significant savings, the overhead must eventually be reduced. While the first service contracted out might not produce any savings in overhead, the second one might, and the third one is even more likely to. However, if the first one is never allowed to occur because no savings in overhead are foreseen, then the decision is likely to be the same for the second and the third.

There are several ways that UMTA can assist grantees in their efforts to contract out for transit service. Of course, most contract costs are eligible for UMTA operating assistance. Furthermore, under the provisions of the latest amendments to the Urban Mass Transportation Act, the cost of leasing in lieu of purchasing equipment and facilities is an eligible capital expense under the Section 9 formula grant program provided that leasing can

* Since the conference, Mr. Kinbar's title has been changed to Regional Manager, Region III.

be justified as cost effective. Finally, under other capital grant programs (i.e., Section 3, Section 16(b)(2) and Section 18), depreciation of equipment and facilities is eligible as a capital expense in accordance with UMTA Circular 7010.1. This provides two advantages -- it allows funding at 75% or 80% federal share, and it allows funding above the operating "cap."

2. Suburban Mobility

UMTA's Suburban Mobility program was begun in response to changing travel patterns in metropolitan areas. Much travel is between diverse origins and destinations in suburban areas, or between city residences and suburban jobs. These types of movements are, in most cases, not served by conventional transit service. They are, however, excellent opportunities for harnessing the private sector.

Many suburban areas have developed Transit Management Associations (TMA's) which are made up of local businessmen and private transportation providers as well as representatives of local government. Through a public-private partnership, transportation needs for a concentration of employment can be met, where as individual employers might find it impossible to address such needs. Lack of mobility, of course, makes it impossible to attract employees.

UMTA is now in the process of organizing and conducting a series of seminars on suburban mobility in cooperation with local officials and business interests. This week we are doing seminars in Tampa and Orlando. The objective of the seminars is to develop local solutions to the problems of the specific target areas.

3. Entrepreneurial Challenge Grants

The Entrepreneurial Challenge Grant program is intended to encourage entrepreneurs to provide services not now being provided. The intent is to respond to a number of service needs which are uneconomical or inappropriate for public transit agencies by assisting private operators in getting started.

This program is very different from contracting out. In contracting out, the public agency retains responsibility for providing the service. It carries out that responsibility by hiring and supervising a contractor. The Entrepreneurial Challenge Grant program, on the other hand, is to assist private entrepreneurs to begin to provide service for which they are willing to take the risks and the responsibility.

Five million dollars in UMTA funds (a combination of Section 3 and Section 6) have been set aside to fund the program nationwide. So you see that we are not talking about major grants. The grant money is to be used as "seed money" to get a project started. We are not looking toward any continuing funding relationship. Grant money can be made

available for such start-up expenses as marketing, organization and management and, if necessary, lease or purchase of equipment. UMTA does not intend to subsidize any of the operating costs.

One requirement which is attached to the grant program is that a public agency must submit the application. UMTA is unable to make grants to private companies. Therefore, a public-private partnership is required.

The criteria to be used in selecting among competing proposals are as follows:

1. Those that are most self-sufficient,
2. Those having the greatest level of local support;
3. Those requesting only one-time assistance from UMTA;
4. Those involving minorities and disadvantaged business interest;
5. Those that can be implemented most quickly;
6. Those involving service not now being provided;
7. Those with a clear indication that service will be continued after the UMTA assistance is terminated;
8. Those that result in new business and job opportunities, particularly for residents of inner cities and areas of high unemployment;
9. Those likely to meet identified transportation needs and having the greatest impact on mobility and congestion problems; and
10. Those that involve a package of entrepreneurial services rather than a single one.

An example of an Entrepreneurial Challenge grant recently awarded by UMTA is a \$30,000 Section 6 Demonstration Grant which was awarded to South Carolina State College on March 4, 1988. The intent of the project is to assist a minority operator to establish additional non-urbanized public transportation services for the City of Orangeburg, South Carolina. There is reasonable expectation that the privately provided services will be completely self sufficient after two years. Costs will be met by fares and local sources that benefit from the services, such as the college and private business interests.

This grant will enable the operator to provide for the planning and implementation strategy for a convenient, fixed-route public transit service with routes focused on the provision of educational opportunities at South Carolina State College and Claflin College, both minority institutions. The project will also provide major increases in access to governmental services, shopping, employment and educational opportunities for the

20,000 plus people residing in the Orangeburg area. We expect to make a separate Section 3 grant for two years' depreciation on the vehicles at a later date.

4. Joint Financing

The idea of joint financing is to get the public and private sector together to the benefit of both. There are many innovative ways to accomplish this.

We are most especially proud of the Lexington project which Rick Sparer just told you about. In that project, the developer and the Transit Authority will each get the facilities they want at lower cost than if they built separate facilities. The project in Alabama which Kayle Norton just described has excellent potential for accomplishing the same thing.

In Miami, there is an UMTA funded study underway, involving a developer who owns a large tract of land through which the Metrorail operates. The focus of the study is to determine whether it would be feasible to build a new Metrorail station at that site in conjunction with the development, with the developer paying all or a substantial portion of the cost.

SEPTA, the transit authority serving the Philadelphia area, has entered into a non-UMTA funded agreement with private interests which provides for the lease to SEPTA of seven locomotives and thirty-five commuter cars, the construction of a maintenance shop on SEPTA property, and maintenance of the trains throughout the period of the lease.

One thing we are not looking for is the old "Urban Initiatives" type project where the public sector money goes in and the developers reap the benefits. We are looking for joint participation in both the financing and the rewards.

Finally, I would like to respond to the suggestion made yesterday that we privatize UMTA. In fact, there are some things which UMTA is contracting out now which we used to do ourselves. Most noteworthy is technical assistance. Through PPTN, which is operated for UMTA by the Comsis Corporation, we are better able to provide useful technical assistance than we were formerly able to do with our own staff. As you have heard, several of the speakers at this conference, each with very relevant experience, are here under the auspices of PPTN. In former years, there might instead have been several UMTA speakers, none of whom would have had the depth of experience of the speakers you heard here. Meanwhile, UMTA has been reducing its staff gradually with no noticeable effect on the results. Three years ago Regions III and IV had a total of 47 permanent full-time employees; today we have 33. Similar reductions have taken place in other regions and at Headquarters.

In closing, let me ask that you call PPTN for technical assistance, and that you call UMTA with any questions about the UMTA program and with proposals for any of the grant programs which I have discussed today. I can be reached in Philadelphia at (215) 597-4179. If you are in one of the states served by our Atlanta office, please call Tom McCormick at (404) 347-7875.*

Thank you for inviting me to participate in this very worthwhile conference.

*At press time, information about these programs for states served out of our Philadelphia office should be addressed to Herman Shipman at (215) 597-8098.

Workshop Four: Other Voices

This Workshop was an attempt to stimulate thinking, to present alternative approaches to efficiency gains and, perhaps, to provide some warnings. As this workshop offered multiple views, a brief description of each topic is provided.

Ms. June Stearman, Macon-Bibb Transit Authority, Macon, Georgia, operates a fixed route city-county service without federal money and with only limited state capital assistance. It is a case where the public sector can operate as efficiently as the private sector.

Mr. Bob Goble, Carter-Goble, Columbia, South Carolina, presented private sector activities found in a recent study conducted by his firm. These activities were unique and applicable to programs in Region IV.

Ms. Kim Garrett, Community Action Agency of Morgan-Lawrence-Cullman Counties, Decatur, Alabama, shared her organization's first, and unsuccessful, private contracting experience and the lessons learned therefrom.

Mr. Emmett Crockett, Metropolitan Atlanta Rapid Transit Authority (MARTA), Atlanta, Georgia, shared successful experiences in contracting elderly and handicapped services in both MARTA's urban and rural service areas.

Remarks By:

June V. Stearman

Director

Macon-Bibb County Transit Authority

Macon, Georgia

Opening Remarks

I would like to thank the Public-Private Transportation Network (PPTN) for sponsoring my travel for this presentation. It is always a pleasure to talk about our transit system in Macon. When I refer to "our transit system" that is exactly what it is, the citizens of Macon and Bibb County's public transportation system.

We carry a distinction that few systems have experienced and this is that we operate without federal assistance. Transit is a local concern in Macon, serving local citizens. Our local government is comfortable with the fact that local citizens like the way it is operated and want it to remain under local control. Our local operation has worked well for our community but this does not mean it would work for every system. I would like to share with you a background of the system and how it has changed over the past seven years.

Background of System

Prior to 1973, the local transit system was owned and operated by the private sector. When the private owner's franchise was about to expire in 1972, and they were experiencing ridership losses and losing money due to declines all over the country, they notified the City of their intent to close down and discontinue service. Our city fathers were very upset with facing the fact of no public transportation for Macon. After many meetings with the private owners and much deliberation by city officials, it was determined that with Macon a growing city, the City must continue to provide public transportation to its citizens and plans were initiated to purchase the system. For the first three months of 1973, the City subsidized the private owner until he could finalize plans to purchase the building and rolling stock, and to operate the system as a department of the City. We operated under city ownership from March, 1973 until 1981. During city operations, the City Charter of Macon prohibited the recognizing of a labor union and prohibited service outside the city limits, into the county. Under private ownership, the amalgamated transit had been active although the last contract was in 1969. These were two items that prompted the City in 1980 to seek assistance from its local legislators in the form of legislation to create an alternative method of providing public transportation for our citizens. In the 1980 session of the General Assembly of the State of Georgia, an act was enacted to provide public transportation to the citizens of Macon and Bibb County and to

provide for the creation of the Macon-Bibb County Transit Authority. This act provided that the Authority would become effective upon the adoption by the City and County of a joint resolution implementing certain provisions.

Local city and county officials approved such a resolution and a tri-party agreement was drawn which covered city, county and authority provisions as to funding, leasing of assets and granting power of operations to the authority in the exercise of its collective independent judgement. (You have a copy of this tri-party agreement before you which you might like to look over and hopefully some parts might serve your local needs.) The Transit Authority is not the agent of either the City or the County and has sole direction of the affairs of the transit system. The Transit Authority organization consists of a five member Board which serves without salary and represent a broad cross section of the local population. Three members are appointed by the Mayor and approved by the City Council and two members are appointed by the County Commisioners. Board meetings are held once a month on a regular basis and extra meetings are scheduled as need determines. Rules, regulations and policies are set by this Board. The Transit Authority Board was caught in a drastic period of change. They were in a position of "where do we go from here?" The Transit System was now in a position to seek federal funds, if so desired, and also able to provide service into the County. They were also very aware that this was a testing period to see if it could be operated more efficiently and save the tax payers' money.

After much research and deliberation, they determined that use of federal funds had not been proven to save money and cut expenses or increase ridership and these were the major goals they desired to pursue and accomplish. Also, there was no assurance that federal funds would always continue to be available. There was also a belief that federal funds, rules, regulations, and requirements tend to take away local control. We also wanted to avoid the "Red Tape" that comes with federal funds. Overhead would have had to be increased by additional employees to handle federal funding mandates. We were trying to lower the operating deficit, not increase it. I believe the determining factor to be that federal guidelines have to apply to all systems the same and are not tailored to individual system needs. This Board wanted our system to be tailored to the needs of Macon and Bibb County and they wanted the citizens utilizing the system to pay a fair share of the expenses of operating. Thus, one of the first changes in 1981 was to increase the fare from 35 cents to 50 cents. Also, the badly abused sale of transfers was eliminated. Transfers were exactly what their name implies, a method of going from one route to another to continue your travel to your destination by paying 10 cents additional when you boarded the first bus and purchased your transfer. But instead, passengers were stopping in town to pay bills, shop and then continue, disregarding time elements on transfer and causing many problems for bus operators. Also, they would purchase a transfer, open the window of the bus, hand the transfer to someone waiting outside and they would use it instead of paying their proper fare. Columbus, Georgia was the first to eliminate transfers

three years before we did and it solved a lot of their problems and certainly contributed to a smoother operation for us.

An extensive study was then begun to restructure the route system and the level of service provided. Riders on all routes were surveyed as to their use each day, when their time of day utilization was greatest, and their normal hours for travel. Using the results of the survey, which revealed that we were providing excessive off-peak service, the results were then used as a guide for scheduling; off-peak service was then reduced which resulted in considerable cost reductions while ridership remained largely unaffected.

Due to the million dollar deficit each year the City was experiencing with the transit system at the time it was turned over to the Authority, the challenge was presented to us to try new ideas and experiments to see if it was possible to lower this deficit. The Authority Board insisted that good and adequate service be provided, but also that the local tax payers be relieved to any extent possible by lowering expenses. This was being accomplished somewhat by the fare increase and restructured routes. Next came the highest expense item, personnel and benefits. The employment ratio under the City was 74 employees. Presently our ratio is 56. Additional cost reductions in personnel were achieved through personnel attrition. The reduced level of service frequently required fewer personnel. Employees were not terminated or layed off, but through personnel attrition, as employees left the organization, they were not replaced. Employees have been most helpful in assuming extra duties and a dedicated effort is made by everyone to be conservative and help keep expenses as low as possible. Pay increases are granted yearly on each employee's anniversary date. No across the board increases or step increases, as the City provided, are in effect now. A total performance evaluation increase is granted with the top ceiling set by the Authority Board. Employees now realize the importance of giving 100% plus in order to receive the top increase. The incentive to exercise high productivity has resulted because employees realize just performing enough to hand-in is not going to be rewarded with as high a percentage increase, as if they are giving everything they can to their job duties. The key to this success is good record keeping and documentation of each employee's performance, attendance and cooperation. The three major factors I have discussed have resulted in a deficit reduction each year of approximately 1/2 the City's million dollar yearly deficit, which has been a tremendous savings to the tax payer.

The fare increase also helped to place some of the burden on the user. These 6,000 plus riders are basically captive riders using our system on a daily basis, mostly to commute back and forth to their jobs. If they had cars, they would be using them, but without, they must depend on us totally for their transportation. Without a transit system, many more would be unemployed and dependent on welfare. With public transit, they are making a concerned effort to help themselves. This has also impressed local government that this system remains alert to local needs but also the riders are certainly contributing their fair share. This is especially important when our farebox recovery toward operating

expenses has steadily remained over the 55% mark with 1987 resulting in a 61% farebox recovery, the highest in the State of Georgia and among the highest in the United States. The deficit is then funded 80.4% by the City and 19.6% by the County in accordance with the tri-party agreement.

Charter service is also provided by our system within the State of Georgia boundaries. This source of revenue has also helped lower the deficit and offers exposure of a bus ride to the segment of the community that does not depend on it for their everyday use. We also try early exposure to what a transit bus is by inviting pre-school and kindergarten classes to tour our facility and then a supervisor takes them for a short ride on a bus. This has resulted in many children requesting their parents to take them downtown on the bus on Saturdays . "Another way" to reach others and let them see a bus ride versus their personal vehicle is not bad after all. Another major challenge the Authority faced was how to replace the worn out fleet they were handed by the City. When the City purchased the system in 1973 from the private owner, they purchased a fleet of 56 buses with a large portion of them being over 20 years old and in poor operating and cosmetic condition. Ten were operating on a daily basis with over a million miles logged on each bus. The average age of the fleet was 17.26 year. The ten with enormous mileage were immediately scrapped. The local governments had anticipated a bus replacement program would be sought by the Authority and had agreed and prepared for such by language in the tri-party agreement relating to capital improvement on a 50-50 basis. The State recognizing we were striving to up-grade our fleet, the oldest in the State, was very receptive to our request to them for assistance in bus purchases. We have had several contracts with the State on a 50% State level and 50% local level for bus purchases, with the local share split equally between the two local governments and from local general funds. This has proven to be a tremendous help to us and had enabled us to up-grade our fleet with the present age being 7.78 years for our fleet of 40 route-service buses. Bus replacement is a necessary commitment if a system is going to entice new riders and offer the public a safe, decent vehicle to travel in. Another major factor in our success was to enter into some marketing of the system. This had never been done by the city. We immediately developed a new color scheme and logo for our fleet. Macon being the Cherry Blossom Capital, with the Cherry Blossom Festival held yearly in March, we wanted to carry this theme forward all year, not just one week at Cherry Blossom Festival time. Thus the Cherry Blossom Express was selected as our new name and a Cherry Blossom decal was selected for our logo. Clean, nicely painted vehicles help entice riders and increase ridership.

The Macon-Bibb County Transit Authority is responsible for providing public transportation to our citizens and it is a total local commitment. We operate with total cooperation of the City and County and without any federal assistance. We maintain a high level of informal communication with our local officials and as Director, I personally keep employees abreast of happenings, decisions, policies and plans adopted by the Board, and

constantly stress to them this is their system. Without their cooperation and loyalty and determined efforts, we would not have a system, especially since we have no product to sell, just a service and a worthwhile service to the thousands dependent on it. Strong employment and community acceptance is required if we are to continue to meet our goals.

Employees have ready access to my office and their suggestions are always encouraged and many are acted upon thus improving morale and performance.

This authority is dedicated to our citizens and we always welcome comments and suggestions from them. We are willing to cooperate and experiment with new modes and new methods as long as it is economically feasible and does not place additional burdens on the tax payers. We are a fixed route service, not door-to-door, and the riders are willing to make their small effort to arrive at our designated stops at specified times. We do not offer late night service or Sunday service due to lack of riders and the demand for such. The operating cost remains the same whether the bus is carrying 2 or 20 passengers, so we must strive to travel routes with the largest concentration of individuals utilizing the service. This being a relatively small system and small service area, we are able to achieve this goal.

This system is a public transit system, using public funds, but with the thought foremost in my mind, at all times, that if this were my private business, what would I do and how would I manage it and provide good service but keep costs down. My Board members have instilled this thought in my mind and they offer me constant, continuous encouragement to think along these lines.

This method of using the private sector concept has worked perfectly for our system, but this does not mean it would work for all systems. I hope I have offered you some ideas to think about and the copy of the tri-party agreement might be of help to you and your local governments in striving to stand alone without federal operating assistance and with the use of private sector technology to bring your community together and operate a system tailored to your local needs and guidelines.

Again, thank you for the honor of being asked to speak of our accomplishments.

TRI-PARTY AGREEMENT BETWEEN
MACON-BIBB COUNTY TRANSIT AUTHORITY,
BIBB COUNTY, GEORGIA,
AND THE CITY OF MACON, GEORGIA.

GEORGIA, BIBB COUNTY

This Agreement made and entered into this the 30th day of April, 1981, by and between the MACON-BIBB COUNTY TRANSIT AUTHORITY ("the Authority"); BIBB COUNTY, GEORGIA ("the County"); and the CITY OF MACON, GEORGIA ("the City").

WHEREAS, the General Assembly of the State of Georgia enacted an Act to provide public transportation to the citizens of the City of Macon and the County of Bibb and to provide for the creation of the Macon-Bibb County Transit Authority, being Act No. 1284 of its 1980 Session; and

WHEREAS, Chapters 1 through 5 of said Act are entitled the "Macon-Bibb County Transit Authority Act of 1980"; and

WHEREAS, said Act provides that Chapters 1 through 5 would become effective upon the adoption by the City and County of a joint resolution implementing the provisions thereof; and

WHEREAS, a joint resolution was adopted by the City on the 21st day of October, 1980, and by the County on the 3rd day of February, 1981, and by these acts the City and the County have made Chapters 1 through 5 of said Act effective; and

WHEREAS, the Authority has made certain representations and warranties to the City by an instrument of even date herewith; and

WHEREAS, the City has simultaneously herewith conveyed or leased to the Authority certain assets of the City consisting of land, buildings, bus chassis, fare boxes, radios, autos and trucks, shop machinery, furniture and fixtures, repair parts inventory, fuel inventory, and oil and

grease inventory and cash in the form of bank accounts used in its operation of the Macon Transit System; and

WHEREAS, the City and County have agreed to jointly provide funding for the Authority for the period beginning May 1, 1981, and they desire to set forth provisions and agreements for such funding in the future.

NOW, THEREFORE, for and in consideration of the premises and the recitals and mutual covenants contained herein, the Parties do hereby agree as follows:

(1.) The Authority shall operate a transit system for the benefit of the citizens of the City of Macon and Bibb County, Georgia, in an efficient and economical manner and in the exercise of its collective independent judgment.

(2.) The City has simultaneously herewith and in consideration of this and other considerations conveyed or leased assets of its Macon Transit System having a current book value of approximately \$1,700,000.00 to the Authority.

(3.) For the period beginning May 1, 1981, and extending through June 30, 1981, the City shall provide funds to the Authority in the amount of Two-Twelfths (2/12ths) of its approved budget for its Macon Transit System for fiscal year 1981 which ends on June 30, 1981. Thereafter, during the term of this contract, the City shall provide funds to the Authority in an amount equal to that sum which is produced by a levy of one mil of tax on the City's then current tax year digest but not to exceed Eighty and Four-Tenths (80.4) per cent of the Authority's operating deficit. Payments for ending fractional years shall be prorated.

(4.) For the period beginning May 1, 1981, and extending through September 30, 1981, the County shall furnish to the Authority the sum of Sixteen Thousand Six Hundred and Sixty-Six and 66/100's (\$16,666.66) Dollars per

month. Thereafter, the County's contribution shall be adjusted so that for the Twelve (12) months' period ending April 30, 1982, and for any subsequent years, the contribution required of the County shall be such that when the City's contribution is determined, the County's contribution shall be such that the total contribution made by the County is Nineteen and Six-Tenths (19.6%) per cent of the aggregate of the contributions made by the Two (2) governments collectively and the sum so determined shall be the maximum required contribution of the County for the Twelve (12) months ending April 30, 1982, and for any subsequent years. Payments for ending fractional years shall be prorated.

(5.) Funds received from the State or federal governments which are specifically earmarked for operating deficits and capital expenditures incurred prior to May 1, 1981, if, as and when received by the Authority, shall be used to reduce the City's liabilities for funding hereunder to the extent that the terms of the grants or State or federal law permit.

Funds received by the Authority from State or Federal grants for operating deficits subsequent to May 1, 1981, shall be applied by the Authority to reduce its operating deficit.

(6.) No capital expenditure shall be undertaken by the Authority which would require the expenditure of City or County funds without the prior joint approval of the respective governing bodies. To the extent that such capital improvements involving City or County funds are approved, it is agreed that Fifty (50%) per cent of the sums required for approved capital expenditures shall be furnished by the City and the other Fifty (50%) per cent by the County.

(7.) The Authority may initiate new routes in either the City or the County on a temporary basis not to

exceed One Hundred Twenty (120) days. Continuance of such routes after One Hundred Twenty (120) days will render them regularly scheduled routes. Operating deficits caused by the operation of temporary routes will be included in any general operations deficit of the Authority but operating deficits caused by new regularly scheduled routes will be borne by the City or County, respectively, in addition to the funding hereinabove described; provided, however, that in no event should the funding required of the City by this Contract exceed the (One) 1 mil limit set out in Paragraph (3) hereof; and provided, further, that in no event shall the funding required of the County by this Contract exceed the sum for which the County would be liable under the formula set out in Paragraph (4) hereof if the City were at its One (1) mil limit. In determining any operating deficit attributable to a new regularly scheduled route, the revenues and costs per mile to operate such route shall be ascertained and the City shall pay that proportion of the deficit attributable to the new regularly scheduled route which the mileage within the City bears to the total mileage of the new route and the County shall pay that proportion of the deficit attributable to the new route which the mileage thereof in the County bears to the total mileage of such new route.

(8.) The Authority shall provide the City and the County with a proposed operating budget by February 28th of each year. The City and the County shall be entitled to a full budgetary review of the Authority's budget, including budget hearings with the Mayor and his staff, City Council, and/or the County Commission. Such budgetary review shall not negate the funding commitments made by the City and the County in this Agreement. In addition, the Authority shall provide monthly statements of revenues and expenses to the City and the County.

(9.) The routes shown on Exhibit "A" attached hereto are the present regularly scheduled routes operated by the Macon Transit System.

(10.) The Authority shall assume and perform all of the obligations of the City arising out of its operation of the Macon Transit System. The Authority agrees to indemnify the City and the County and hold them harmless from, against and in respect of any loss, cost, payment, damage or expenses (including attorneys' fees) arising out of the Authority's or the City's operation of the Macon Transit System or the ownership or use of property in connection therewith, including the sole acts, omissions or negligence of the City.

(11.) The Authority agrees to maintain liability insurance covering its operation of its buses, such coverage to be in amounts not less than those amounts presently in force. The Authority agrees to maintain public officers liability insurance in the amount of not less than \$2,000,000.00 per occurrence.

(12.) The terms and conditions of a lease covering the premises (land and building) presently used in the operation of the Macon Transit System and the terms and conditions of the "Representations and Warranties" executed by the Authority simultaneously herewith are incorporated herein by this reference thereto.

(13.) Any default of this Agreement or the above-referred to Lease or "Representations and Warranties" which default continues for a period of Thirty (30) days after written notice of such default has been transmitted to the Authority shall authorize the City to terminate the Lease and/or this Agreement, enter and take possession of the premises and shall entitle the City to receive from the Authority a reconveyance of all assets conveyed by the City

to the Authority in connection with its operation of the Macon Transit System. This remedy shall be in addition to all other remedies available to the parties authorized by law. In the event the City takes possession of the leased premises or acquires title to the assets of the Authority, the funding obligations of the City and County shall cease.

(14.) The parties agree that the Authority is not the agent of either the City or the County, and shall have sole direction of the affairs of the transit system.

(15.) This contract shall commence May 1, 1981, and shall continue to and expire at midnight on September 30, 1983.

IN WITNESS WHEREOF, the Parties hereto, by and through their duly authorized officers, have set their hands and affixed their seals the day and year first above written.

CITY OF MACON
BY: [Signature]
Mayor.
ATTEST: [Signature]
Clerk.

Signed, sealed & delivered
in the presence of:
[Signature]
[Signature]

(SEAL)

BIBB COUNTY, GEORGIA
BY: [Signature]
Chairman, Board of
Commissioners
ATTEST:
BY: [Signature]
Clerk

Signed, sealed & delivered
in the presence of:

Wanda A. Gaud

(SEAL)

James M. Elkins

MACON-BIBB COUNTY TRANSIT
AUTHORITY

BY: [Signature]
Chairman

ATTEST:

BY: [Signature]
Asst. Secretary

Signed, sealed & delivered
in the presence of:

Wanda A. Gaud

(SEAL)

James M. Elkins



Remarks By:
Robert Goble
Principle
Carter-Goble Associates
Columbia, South Carolina

Mr. Goble's remarks were drawn from two UMTA funded studies. The Executive Summaries of these studies were provided as representative of his workshop remarks.

STRATEGIES FOR EXPANDING THE USE OF PRIVATE SECTOR TRANSIT AND PARATRANSIT OPERATORS AND REDUCING UMTA SUBSIDY IN RURAL, SMALL URBAN AND SUBURBAN AREAS

Eight case studies of rural, small urban and suburban transportation systems were examined to assess their success in: 1) using private transportation companies; 2) minimizing or reducing government intervention; and 3) operating with marginal or no UMTA funding.

Three of the case studies, including: Cape May County, New Jersey; Chicago Transit Authority Specialized Service; and Sampson County, North Carolina Department of Social Services have recently transferred part or all of their service operations to the private sector. The other five, including: Canon City, Colorado; Chester County, Pennsylvania; Hawaii County, Hawaii; Kern County, California; and Lawrence, Kansas, have all involved some utilization of private sector operators since the beginning of their systems.

Success in utilizing private transportation companies was defined to mean that both the local government transportation sponsor and the private transportation companies had developed a sound, efficient, and effective working relationship and that both parties felt that there were benefits to their side in doing so.

Two of the cases, Kern County and CTA, demonstrated that competitive bidding led to cost savings and increased efficiencies in service effectiveness. CTA-operated suburban service, for example, had previously cost \$28 per passenger, whereas the use of private contractors under competitive bidding subsequently reduced the cost by 55 percent to \$12.50 per passenger. Similarly, in Kern County (California) significant cost reductions and productivity increases resulted where shifts were made to the private sector through competitive contracts.

Systems such as Cape May County and Sampson County Department of Social Services, which have historically operated their transportation services totally in-house, realized substantial cost savings, productivity and efficiency improvements by shifting over to private contractors. Cape County, for example, in its first year of private contracting for

fixed route service found a 14 percent reduction in the cost per vehicle mile and a 110 percent increase in the passengers carried per vehicle mile. Similarly, the Sampson County Department of Social Services realized an 81 percent reduction in the cost per vehicle mile and a 68 percent reduction in the cost per passenger in shifting from social workers as drivers to using a taxi company.

In addition to documentation of cost savings, productivity and efficiency increases, the case studies also demonstrated other important factors of success in using private operators. Canon City, for example, showed that the high level of personal commitment and cooperation between the project sponsor and the private taxi company created public service where none had existed before. Both Cape May County and Chester County demonstrated the importance of involving private transportation companies in the evaluation and advance planning activities of the local government. One factor that seemed to be common to most all cases was the positive attitude and belief by local officials and leaders that the private sector's better efficiencies and the profit motive could be strong causal factors in realizing both cost efficiencies and better productivities than government was capable of.

Chester County has demonstrated improvements in productivity and cost efficiency via the same private operator over time, which contradicts the notion that once private operators are contracted they will attempt to decrease their efficiency and increase their income and profit. The presence of a respected, stable, and skilled transportation operator in the local area was an important influence in several locations, especially rural areas, in deciding to utilize the private sector. Hawaii County demonstrated that a combination of private for-profit and private non-profit contractors could succeed. In Lawrence, the bus system and in West Chester County Paratransit System showed that government intervention and involvement in managing and controlling services can be minimized.

Finally, strong state and/or local funding for Kern County, Lawrence, Chicago, Chester County and Cape May County showed that systems can be developed and maintained with little or no UMTA funds. Four of the eight cases utilized no UMTA operating funds at all. Three used between 16 and 25 percent UMTA funds and one utilized a marginal amount indirectly through involvement of administrative staff time. Consequently, the case also showed that governments can successfully utilize private subcontractors without relying on UMTA funding. Although there does not appear to be one best approach from cases examined, there are several important lessons and concepts that emerge from the cases. The following summary lists those important conditions or factors that have been instrumental in fostering successful private sector involvement:

1. Availability of competent professional contractors interested in doing public business.
2. A source of funding which supports initial implementation and allows for short-term growth.
3. A positive attitude among local elected officials supportive of utilizing the private sector whenever feasible.
4. The commitment of both local officials and staff to continually strive for high degrees of cost efficiency, service productivity and quality.
5. A capability to screen and evaluate prospective subcontractors with respect to their soundness, professionalism, successful track record, and commitment to improving cost efficiencies and service productivity.
6. A monitoring and evaluation program or procedure that minimizes paperwork burden on contractors yet allows accurate assessment of service.
7. A resource for technical and/or management assistance and external evaluation of the service.
8. Establishment of a positive working relationship between government staff and private contractors.
9. A staff person within government to administer or oversee the contracted services who has good interpersonal relationship skills and is open-minded to experimenting with new service concepts.
10. Persistence.

COST REDUCTION AND SERVICE IMPROVEMENTS FROM CONTRACTING IN RURAL SMALL URBAN AND SUBURBAN AREAS

During 1987, a series of 17 case studies of rural, small urban and suburban transportation systems found that by contracting with private transportation companies, that significant cost reductions (ranges from 20% to 110% with 46% average), and the ratio of fares to operating expense increases (7% - 78%) could be achieved, with service quality and consumer satisfaction being maintained or even improved. These cases were drawn from throughout the nation from a variety of environments, organizations and approaches to show that contracting could succeed in a variety of local conditions and environments. The case included 10 rural systems, three suburban and four small urban systems. Rural cases were emphasized since much documentation already exists on urban cases.

Cost reduction and productivity improvements from using private contractors were documented in 10 of the 17 cases where comparisons to previous or current publicly operated service were possible. The other 7 cases had either always been privately operated or else didn't have reliable data from prior or current cases, however, they were found to be quite satisfied with the use of private operators. One case, in fact, had lost its private operator due to a business decline and was forced to return to in-house operation but still preferred to find a private contractor. The following list summarizes the type and level of cost improvements found:

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|----|---|---|
| 1) | Ben Franklin Transit
Richland, Washington
Demand response contracted to taxi | 62% operating cost savings over Authority's operational cost |
| 2) | Senior Citizen Affordable Taxi
Delaware Transit Authority
Taxi User Subsidy | 24% lower cost per passenger than State's current demand response system |
| 3) | Tri-Met Clackamus County
E&H Service
Clackamus County, Oregon
Annual competitive bid of demand response service | 28% lower cost per vehicle hour and 38% lower per vehicle mile than Tri-Met |
| 4) | Crawford County Transportation Authority, Meadville, PA
Fixed route and demand response contracted to school bus company | 20% lower cost per vehicle mile than Authority's Operation |

- | | | |
|-----|--|---|
| 5) | Chippewa Falls Transit Network
Chippewa Falls, Wisconsin
Conversion of total system from fixed route Authority-operated to demand response contracted taxi | 59% reduction in annual operating cost plus 7% increase in fare ratio over prior system |
| 6) | Monmouth City Transit System
Freehold, NJ
Contracted fixed routes and demand response to bus and taxi companies | 39%-110% lower cost per passenger by selective contracting compared to current in-house operations |
| 7) | Wilson Transit System
Wilson, NC
Contracted fixed route dial-a-ride to taxi co. | 50% reduction in operating cost over previous in-house operation |
| 8) | Tuolumne County Transit
Sonora, CA
Contracted fixed route and demand response to bus company | 34% reduction in cost per passenger over previous in-house operation |
| 9) | Fort Wayne Transit Corporation
Fort Wayne, Indiana
Fixed route drivers contracted by employment agencies | 38% reduction in driver cost per hour over current in-house drivers |
| 10) | Lexington Transit Authority
Lexington, Kentucky
Contracted fixed route with bus company | 23% reduction in deficit per passenger and 78% increase in fare ratio compared to current in-house operations |

Several findings or conclusions were drawn from the 17 case studies which in some cases may have generic application to other environments. The following is a summary of those notable findings without regard to priority:

- 1) The combination of local interest in the private sector doing public services; the availability of successful and respected transportation companies in the local area; and State DOT policies supportive of private sector involvement creates a conducive environment for private sector involvement.
- 2) Employment contracting agencies offer a means of hiring transit operators at rates that can be significantly lower than the salary and fringe benefits paid to public agency employees.

- 3) The belief or perception that the private sector can do a more effective and more cost-efficient job in operating public transit or paratransit service is in itself an influential condition which can strongly support privatization. This perception can often be considered to be more important than service quality considerations. Involvement in the planning and decision-making process of affected consumers from neighborhoods or affected service areas can be instrumental in gaining support for privatization strategy.
- 4) The concept of being able to contract with the private sector for specified service increments as compared to having to hire and pay for full-time labor cost (and in some cases, non-labor operating expenses as well), whether service is utilized or not, can be persuasive in deciding to shift to the private sector. In some instances, this shift could also be coupled with a total or partial mode change.
- 5) The ability to contractually require specified levels of service quality, reliability and on-time performance through the financial performance incentive of a legal contract can, on its own, be sufficient reasoning for privatization in whole or in part.
- 6) A mix of in-house operations and contracted private sector operations with consideration towards strategic locations of contractors versus in-house operations can help maintain competitiveness in annual bidding.
- 7) Contracting with the private sector for off-peak evening and weekend service can be more cost-efficient than in-house operations.
- 8) The avoidance of initial capital and start-up expenditures can be attractive to local governments.
- 9) Even smaller urban and rural areas may have the staff capacity to provide significant technical assistance to contract operators in addition to normal administrative monitoring and evaluation support activities which collectively can help ensure a continued high quality of service by contract operators.
- 10) Pending budgetary limitations and relatively low efficiency and productivity for certain fixed routes or route segments can provide substantial incentive for using a contractor.

Remarks By:

Kim Garrett

Transportation Director - MATS

Community Action Agency of

Morgan-Lawrence-Cullman Counties

Decatur, Alabama

First, I want to thank PPTN for sponsoring my travel to this workshop. I know I've learned more during the last day and a half than you will even begin to learn from what I am going to talk about today.

If you have not found out already what a great resource PPTN is for your local areas, you're really missing out. Last year when the MPO in my area was considering whether or not to fund a transit study, PPTN sent someone (who had recently completed a successful study for his area) to Decatur who helped us pull together the proposed Scope of Work that focused the study in a positive direction. We have recently asked PPTN for help on another project.

The experience I have been asked to share as a part of this workshop session is a private sector contract my system had a few years ago which "failed". This is a new twist in workshop presentations. It's a little strange to me to follow such a series of wonderful success stories with this tale of stupid mistakes, but I agreed to do this because of the impact dumb mistakes seem to have on our learning process. We tend to learn a lot from dumb mistakes -- usually our own -- and hindsight is such a great thing. As the story progresses I'm sure there will be many red flags that will signal sources of potential problems that you may or may not recognize as such in your efforts to obtain private sector contracts.

I manage a county-wide public transportation system in Decatur/Morgan County, Alabama. We serve Decatur, an urbanized area, and the surrounding rural area of Morgan county over a system of flexible routes and some demand responsive service.

In 1984, Morgan County, Alabama had a total population just over 90,000 with 53,000 people living in the Decatur/Hartselle area which had recently been declared an urbanized area. The county was served by one public transportation provider, MATS, and one privately owned taxi company. MATS was operating 21 vans and small buses Monday through Friday from 6:30 in the morning until 5:30 in the evening.

The Taxi company operated a total of five cars in Decatur and Hartselle, Monday through Saturday with hours depending on demand. The average age of the cars was 13 years, the oldest was a 1966 Chevrolet Biscayne, the newest a 1974 Impala.

During the previous three years the taxi operator had voiced the opinion in our public hearings that the service we provided was in competition with his business. Also, during

the previous three years (and before) this company and one other had been in and out of business many, many times; the other finally quit.

In 1983 MATS became interested in expanding service past 5:30 p.m. and at least part day on Saturday. The need for expanded service had been expressed by several groups in the area but it did not appear to be enough to justify adding staff vehicles. We were also beginning to have transportation requests which could not be scheduled within our existing routes or schedules and problems with returning passengers whose locations and times were turning our previously organized flexible route system into a demand responsive transportation service. We began to seriously consider contracting some of the service to a private provider.

This, along with the bad press each year, perhaps caused us to decide that such a contract was the ideal solution to our problems so we started talking with the local taxi operator about his interest in contracting with us. It quickly became apparent that he had no idea how much it was costing to operate his service.

We had several meetings at the taxi company (with the full cooperation and assistance of the owner) to try to determine the cost to operate the cabs so we could eventually estimate a cost to contract the service proposed. We identified each element of his operating cost, i.e., driver's wages, dispatcher and other office wages, rent, supplies, insurance, etc. He had no idea how much he spent per month or year on gas -- he said. As you might imagine with the average age of his cars, his maintenance costs, as near as we could determine, were terribly high. We also added a cost for his profit.

All throughout this process we carefully explained (we thought) each step; how we determined the cost, how it related back to his overall operating costs and based on an estimate of his service mileage, an approximate cost per mile to operate the cabs. Then we looked at our service data to estimate a number of passengers and an average number of miles to expect per passenger trip. We carefully explained how this would tie back into his cost to provide the service and how we would be able to pay for the proposed contract.

In hopes of getting some competition we published a Request For Proposals for the operation of the service. The only response was from this local taxi operator for a rate close to what we estimated the contract cost to be. His proposal further stated he would meet several other service requirements discussed during our meetings and listed in the RFP. Everything looked very promising. But then the proposal went on to state that in addition to the agreed upon rate per mile he would also have to have the following expenses paid:

- 3 drivers' salaries at \$3.35 per hour
- the dispatcher's salary
- the insurance paid in full on 3 cars
- \$12,000 for his own salary
- AND
- 8 four drawer file cabinets to keep all the records he anticipated piling up as a result of the contract!

As I said earlier, we were already convinced that such a contract was going to solve our problems, i.e., extend service hours, provide a quicker return response time, end bad press from the taxi operator. We went back to the meeting room and re-explained how the above costs (except the 8 file cabinets) were included in the cost per mile he proposed to charge for the service at the beginning of his proposal.

It seemed obvious (to us) that because we were proposing to refer additional passengers to his business that he did not already have; to make those referrals several hours or even a day in advance so the stops for each driver could be planned to use fewer miles and less time; and that they could even put additional passengers in the cab - either their own customers or other referrals - the costs he was concerned about should be more than covered by the flat \$1.50 per mile. We went back to the original cost worksheets and showed him where all these costs were already being covered, including an amount for his own salary which, we explained, could go up dependent upon how well the cars were dispatched.

This time we were sure he understood. We finally agreed upon a contract. We had brochures made up and distributed advertising the service to the public. The local newspaper printed a news release to announce the new service. Tickets were printed. Staff and drivers were trained.

The service was started and was going along very well for about a month when the taxi operator sent one of his drivers by our office with a copy of the company's insurance bill. I called the owner and asked why he had sent me a copy of their insurance bill explaining that it wasn't necessary for him to prove his insurance cost. He quickly set me straight, saying that his insurance was due; the contract had not earned enough to pay the bill yet, and he wanted to know when we were going to pay it.

This time I know my impatience was obvious when I explained once more that our contract did not call for the payment of the taxi company's insurance...and so forth. We ended our conversation. I was relieved (mistakenly) that the issue was finally resolved. Service continued as usual for about a week. Then one fine afternoon about 3:30 the cab company dispatcher called, at the request of the owner, to inform me that their insurance would expire at midnight that day, and further that they were out of business and would not be transporting the passengers who were already scheduled nor would they accept any more referrals. The owner became unavailable for about three days, after which there was little use trying to resolve the situation.

What went wrong? As I said at the start of the story, several things should have jumped right at you (and at us during this whole process). Probably the most serious problem was that there was a lack of MUTUAL INTEREST. Remember when I said that we had become convinced that such a contract was the solution to our problems...then we started talking with the taxi operator. Just because this man protested our operation each year at the public hearings did not mean he was interested in contracting with us to provide service, even though he may well have been making more from the contract service than he

was making on his regular fares. This did not GO WRONG, it WAS WRONG from the beginning and caused us to start out speaking to each other in two different languages -- which leads to the second problem.

This was best expressed yesterday, basically that no matter how many times you explain something, no matter how well you think you understand (or they understand), you usually find that the two of you have been talking about two different things. We failed to consider (or ignored) his perception of what was going on. We offered one thing, he expected something else entirely.

Then there were the "small" problems that should have warned us of the bigger problem to come such as the average age of the cars. It may have been impossible for this business to operate the service proposed at the cost agreed to with vehicles this old. His maintenance costs alone may have been close to the rate he was charging us per mile. This would also have seriously affected reliability which was not a problem during the short duration of our contract but would probably have become one very soon had the service continued. We did not consider the company's ability to satisfactorily provide the service proposed. We additionally failed to take seriously the stability of this business we were relying upon to safely, comfortably and reliably transport our mutual customers.

What did it cost MATS to learn from this mistake? Fortunately, not as much as it could have. Because we had only recently begun to contract the service we were able to schedule many of the customers back into our existing routes and contact the others to reschedule their trips for times when we could provide the service. This was a lot of trouble but fairly inexpensive. There was some money tied up in the marketing of the service, which was lost, and we suffered embarrassment -- but eventually recovered.

I have heard stories of similar and much more expensive disasters. The basic consequence of our mistakes was that we failed to meet our stated goals for the project; service was not extended, reliability was definitely not increased, and the following year our local taxi operator (the same) was present as usual at our public hearings to protest our service.

I stated earlier that I have heard a lot of very positive and valuable information concerning private sector contracting and other involvement in our public transportation systems during this workshop. The most encouraging thing is how well such contracting opportunities have worked in other areas, even small rural areas. In each case both the public and private sector have recognized that they are in the BUSINESS of providing transportation to the public and that as BUSINESS PEOPLE we have a responsibility both to our passengers and to our funding sources to carefully consider possible service provision alternatives. Where an alternative is appropriate to a given situation, that should be the chosen method of getting the service to the customers. However, it is always difficult and usually a mistake to try to force fit a particular alternative into a situation where it may not be the appropriate choice.

Remarks By:
Emmett J. Crockett, Jr.
Manager of Scheduling
Metropolitan Atlanta Rapid Transit Authority
Atlanta, Georgia

PRIVATIZATION OF TRANSPORTATION SERVICE FOR THE DISABLED -
THE METROPOLITAN ATLANTA RAPID TRANSIT AUTHORITY
(MARTA) EXPERIENCE

INTRODUCTION

Since June of 1987, door-to-door transportation for the disabled in MARTA's service areas has been provided by a contractor specializing in serving the transportation needs of the disabled. MARTA began providing specialized transportation service for the disabled in 1977. In 1987, MARTA awarded a contract to DAVE Systems to provide L-Van services. What follows is a summary of the results of privatizing the L-Van service.

The Service

The service, called L-Van, operates Monday through Friday from 6:00 a.m. to 6:30 p.m. Service is offered on a subscription and advance reservation basis. Subscription service is offered for regular riders who travel 2-5 days weekly between the hours of 6:00 a.m. to 9:30 a.m. and from 2:30 p.m. to 6:30 p.m.. Advanced reservation service is offered to any eligible person who reserves a trip 24 hours in advance of traveling. Patrons are allowed to travel with an attendant. The attendant rides free of charge and must board and alight with the patron. Patrons are served by a fleet of 20 6-7 passenger vans.

The Contract

The contract between MARTA and DAVE Systems is for a period of two years with an option for a third year. The effective date of the contract was June 1, 1987. DAVE is to provide a prescribed level of revenue hours annually. The number of revenue hours increases by 10 percent annually. DAVE is paid a flat fee monthly plus a set amount for the number of revenue hours provided.

The contract contains performance incentives and penalties. DAVE can be rewarded or penalized for the number of passengers carried and its on-time performance.

Comparison - MARTA vs DAVE Systems

A comparison of L-Van service provided by MARTA and DAVE Systems revealed the following:

- DAVE System is offering 25% more revenue hours
- DAVE System is offering 39% more revenue miles
- DAVE System is providing 28% more passenger trips
- DAVE System's costs are 37% less than MARTA's

A comparison of the MARTA and DAVE System L-Van operations revealed that the contractor experienced a higher accident rate. This, however, was expected. MARTA L-Van service was provided by the experienced MARTA bus operators. The contractor's operators are not as experienced as the MARTA operators. The accident rate among the contractor's operators is expected to decrease as the pool of part-time operators stabilizes and becomes more experienced. Although the contractor's operators experienced higher rates of accidents, the miles per accident were within a reasonable range of the accident experience of similar operations as illustrated by Figure 1.

The contractor's on-time performance during the initial four months of the contract averaged only about 75 percent. Since then, however, on-time performance has been consistently above 90 percent. Although the contractor has not qualified for on-time performance bonuses, the penalty for failure to meet the on-time performance standard has only been applied once in more than a year of operation.

Figure 1

**COMPARATIVE ACCIDENT STATISTICS
FOR SELECTED PARATRANSIT OPERATIONS**

<u>System</u>	<u>Miles-Accident</u>
L-Van (DAVE)	20,160
L-Van (MARTA)	22,285
The Lift (New Orleans)	30,871
Chula Vista, California	20,084
Pinola, California	20,257
Pamona, California	26,082
AVERAGE	23,289

Passenger Views on the Contractor's Performance

MARTA surveyed 70 percent of the L-Van's regular riders and found a high degree of satisfaction with the service offered. Passengers indicated that they are picked up and dropped off on-time. They feel secure on the vans and that the ride is comfortable. The condition of the equipment, which is owned by MARTA, surfaced as a concern. The equipment is approaching five years of age and 100,000 miles which is the expected useful life of the vans. A detailed summary of passenger perceptions of the service is presented in Figure 2.

Conclusions

The results stemming from the operation of the L-Van service by MARTA's Contractor reaffirm the decision to privatize the service. The contractor is providing more miles and hours of service and providing more trips. Yet, the costs of providing the service is less than that of the MARTA operation of the L-Van. These results coupled with the high degree of passenger satisfaction with the service provided by DAVE Systems constitute a "win-win" situation for MARTA, DAVE Systems, the disabled community and the taxpayers.

Figure 2 L-VAN PASSENGER SURVEY RESULTS

General Findings:

- On time performance is good
- Few calls are unanswered
- Passengers feel secure on the vans
- The ride is comfortable
- Drivers are pleasant, helpful and neat
- Service is as good or better than the service MARTA provided
- Condition of the equipment is a major concern

On Time Performance:

- 90% On time pick-ups
- 95% On time drop-offs

Safety:

- 84% feel secure on vans
- 87% feel ride is comfortable
- 20% had been involved in an accident
- 8% feel vans operate too fast
- 60% feel vans are in fair to poor condition

Dispatchers:

- 98% feel drivers are helpful
- 98% feel drivers are pleasant
- 95% feel drivers are neat
- 8% feel drivers are insensitive
- 10% feel drivers are careless

Improvements Recommended:

Weekend service needed	25%
Late evening service needed	12%
Vans deteriorating	12%
Increase ridership	7%
No improvements needed	7%
On time performance	7%
Safety training	7%
More space for wheelchairs	5%
Improve air conditioning	5%
Improve passenger-driver communications	3%
Improve routing	3%
Allow monthly payments	3%
Experienced dispatchers	2%
Use MARTA drivers	2%

NOTE: 70% of the L-Van's regular riders were surveyed.

Workshop Five: Operator Experiences with Private Sector Activities

This workshop shared a set of specific experiences followed by an open discussion. The experiences focused on the difficulties of undertaking private sector initiatives in rural and small urban areas where, frequently, there are few or no private operators. As this Workshop offered multiple views, a brief description of each topic is provided.

Mr. David Robinson, Mississippi Department of Energy and Transportation, Jackson, Mississippi commented on the Mississippi state level private sector program.

Ms. Kim Garrett, Community Action Agency of Morgan-Lawrence-Cullman Counties, Decatur, Alabama, shared subsequent successful experiences with private sector contracting.

Ms. Helen Carter, Limestone Council on Aging, Athens, Alabama, shared experiences with a volunteer van program in a rural county with some suburban development.

Ms. Jean Engelke, Area IV Agency on Aging and Community Service, LaFayette, Indiana, shared experiences with a volunteer van program in a multi-county rural area.

Remarks By:
David Robinson
Transit Specialist
Mississippi Department of Energy
and Transportation
Jackson, Mississippi

THE DIFFICULTIES OF DEVELOPING A PRIVATE SECTOR PROGRAM IN A PREDOMINANTLY RURAL STATE -- STATE OF MISSISSIPPI

Good afternoon. I am David Robinson, Transit Specialist with the Mississippi Department of Energy and Transportation (MDET), Jackson, Mississippi.

For the next several minutes, I would like to share briefly with you, some of the difficulties of developing a private sector program in a predominantly rural state like Mississippi. Let me first preface my remarks by saying that the State of Mississippi is comprised of 82 counties, approximately 350 miles long and 184 miles wide; a state with approximately 2.5 million citizens, a state approximately 90 to 95% rural, having only three urbanized areas by federal definition: (1) the City of Jackson (the capitol) with approximately 250,000 in population, (2) the City of Hattiesburg with approximately 55,000 in population, and (3) the Gulf Coast with approximately 175,000 in population.

Since the early 1980's, MDET has been involved in the administration of two federally assisted transportation programs; the UMTA Section 18 Rural and Small Urban Transit Program, and the UMTA Section 16(b)(2) Elderly and Handicapped Transit Program. As the names indicate, the two programs are distinguished most readily by the service population and groups targeted.

At present, MDET has 17 rural transit operators, serving approximately 54 counties and utilizing a fleet of 200 vehicles. We have a total of 66 elderly and handicapped providers, servicing 78 counties and operating approximately 300 vehicles. These vehicles range in size from 15 passenger vans to mini buses to 40 passenger buses. Our rural operator service is 95% fixed routes, with very little or no demand response due to this service not being cost effective and efficient.

Over the years of operating rural transit service, our operators have attempted to include the private sector by:

1. Planning and negotiating with local providers (i.e., taxi cabs, paratransit operators, jitney operators, private carriers, etc.) annually during their scheduled public hearings for rural services, private sector initiatives and compliance with Section 504 in their respective service areas;

2. Soliciting of DBE's and WBE's relative to transit services; and
3. Establishment of DBE's and WBE's relative to transit services.

In the area of planning and negotiating with local providers (i.e., taxi cabs, paratransit operators, jitney operators, private carriers, etc.) during our annual public hearings for rural services, private sector initiatives, and UMTA Section 504 compliance, rural operators have virtually been unsuccessful in subcontracting these services due to:

- 1) A lack of interest;
- 2) The contractual cost submitted to the local rural operator by the taxi cab provider was prohibitive;
- 3) A lack of resources or equipment by the private operator;
- 4) A lack of thorough understanding and knowledge of subcontracting and federal guidelines relative to federal DOT funding; and
- 5) Resistance to cooperation and/or resistance to change by both parties.

Apart from the above reasons, there have been some instances whereby negotiations with local taxi operators and the rural operator resulted in the local taxi cab operator wanting to provide those services within the local municipality or urban area. Unfortunately, the cost of the one-way trip within the municipality or urbanized area by the local taxi cab far exceeded the one-way trip cost by the rural operator.

Additionally, local taxi cabs, jitney operators, paratransit operators, etc., in 99.9% of the negotiation cases, demonstrated no interest in providing service or utilizing equipment to provide service in the rural areas.

Another interesting point relative to taxi cab, jitney and paratransit operators in the State of Mississippi, is that many urbanized areas in the State have no regulations or local ordinances that govern or regulate these providers operations. Many of these providers operate without a license, without proper equipment, without being listed in the local telephone book, and then charging any fare that they can get away with.

MDET's most optimistic private sector initiative to date relative to subcontracting for transit services, is the implementation of Greyhound's Rural Connection Program. MDET held a rural operators workshop in February of this year, and invited Mr. Randy Isaacs, Regional Manager of Rural Services of Greyhound to present the new rural connection

program to our local operators. The program was met with much interest and enthusiasm by our local operators.

In closing, MDET's rural operators in spite of operating in a predominantly rural state, have had a tremendous success with both soliciting vendors for the procurement of goods and services as well as the establishment of DBE's and WBE's relative to transit services.

That completes my presentation and at this time, I would like to stop here and welcome comments, suggestions, questions and answers.

Remarks By:

Kim Garrett

Transportation Director - MATS

Community Action Agency

of Morgan-Lawrence-Cullman Counties

Decatur, Alabama

As a result of our experience described in the previous session, we have been reluctant to try another private sector contract for the delivery of transportation service to our customers. The state of private taxi operators (or other private transportation providers) in our service area is mostly unchanged from that of 1984 which I described earlier. We now have two taxi operators, each of whom operate three to four cars. The average vehicle age has not improved. One operator is using 1953 model Checker Cabs purchased from a taxi operator in New York City. Although the first year these new companies were in business was very uncertain, they are now entering their second year. The company we contracted with in 1984, by the way, was back in business a week after he closed his doors to us. He passed away the next year and the company closed until one of the new operators purchased the business from his family.

We will try such a contract again when the conditions are right to make it work. I don't think our community is much different from most small communities in rural areas. Most such communities think that because they don't, or can't, contract out part of their service provision to a private provider they have no private sector opportunities. This thought also seems to be supported in part by UMTA which places a primary emphasis on private provision of transportation service. In fact however, there are numerous other opportunities for private participation in the operation of a transit system. This is especially true of the smaller rural and small urban systems which usually are dependent on outside shops for maintenance, fuel, and many of their administrative support services such as printing, marketing, etc.

MATS, for example has only two administrative personnel (myself and a secretary); we have fifteen full and part time drivers and a dispatcher. This is the total MATS staff. We do not use volunteer services. It is obvious from this staff description that almost everything we do except the actual provision of service, the supervision of drivers and the daily correspondence and annual grant applications is done by someone outside the employ of the transit system.

The basic bookkeeping and payroll is done by another department of the Community Action Agency but this is still an opportunity for private participation. Our building is rented from a local real estate agent. Our maintenance is all done at various privately owned service stations and garages in the area -- admittedly this is difficult to manage and a less efficient way to handle vehicle maintenance but at this time, it is our only alternative.

We contract with a local janitorial service to wash our vehicles. We purchase our gasoline from various local service stations. There are two local printing shops that do all of our printing and some of our design work for brochures, etc. Even the vehicle and building insurance is purchased from a privately employed insurance agent who purchases the policies from privately owned insurance companies.

These are all necessary services which are purchased by a public entity from privately owned businesses rather than the public agency choosing the alternative of employing staff or setting up facilities to provide the services in house. The private sector participates in this way in the provision of our service, equivalent to approximately half of our total operating budget.

When considering the private enterprise participation in publicly operated transit systems, such participation is worthy of equivalent acceptance by the federal funding agency as are contracts with private transportation providers to provide all or a portion of the public transit system's passenger service. Such participation is also worthy of equivalent consideration by public agencies when assessing the opportunities they have available for private participation in their programs.

Remarks By:

Helen Carter, Director
Limestone County Council on Aging
Athens, Alabama

Not many of us know what it is truly like to be totally dependent upon someone else for our transportation needs. I found out several years ago when I had surgery. The doctor told me not to drive for at least five weeks. Well, my family knew me better than the doctor so they took my car away. I knew that I was not supposed to drive, but it was just the reality of knowing that I absolutely could not. I did not have a car. It was to me confining and frustrating. I was at the mercy of someone else for everything I needed. That experience taught me a lot and I guess that is why I strive to work at whatever it takes to provide as much transportation in my county as I can.

In the 13 years I have worked with the Aging Program, the number one need expressed by the elderly has been transportation. That is the reason I am here today to share with you one of our transportation programs of which we are quite proud.

In 1984 we were approached by the Department of Transportation in Huntsville to try an approach that was new to us, that is, volunteer drivers. They were writing a grant to refurbish older vans, then give them to a community for operation using only volunteer drivers. Even though we have several communities who could benefit from this service, Elkmont -- a small town of less than 400 -- was chosen because of its high population of elderly. The key to starting such a program is involvement of your community leaders. When we first started discussing this project, we invited the Mayor and active volunteers from the community. You have to convince these people that it is their program. It is up to them to obtain either success or failure. A board was elected to establish goals and set rules for the van, even though, there were very few rules. The main rule required using only volunteer drivers. I have to admit I was skeptical at first of whether there would be enough support to get the program going and keep it going. It was amazing to me how they all worked so hard to attain this goal of providing this special transportation.

For two years there was enough money from the initial grant to pay their insurance. After that, the seniors not only raised the money for operation but also their insurance premium. The total cost per year is between \$5,000 and \$6,000 and the seniors have all sorts of fund raising activities to pay this cost.

In 1985, the board applied for and received a Section 16(b)(2) vehicle through the Alabama Highway Department, again raising the money to supply the 20% match. When they received their new van, they were so proud, knowing their involvement and participation was the key to receiving it.

We have another van operating in the Town of Ardmore that we feel is very unique. The town sits right on the state line. There are two states, Alabama and Tennessee,

involved in the operational cost of this Section 16(b)(2) vehicle which is driven by volunteer drivers. Hopefully, we can expand this same type transportation to other communities in the future.

In no way do I want to mislead anyone into thinking that volunteers can do it all. There has to be staff either as backup, or as in our situation, to write the grant proposals and seek insurance for the vehicles. I am sure we're not the only county that has difficulty with either getting insurance or with the high premiums we have to pay. One rule we have always followed is that a driver must be over the age of 25 and not over 65. This helps with insurance. It includes volunteer drivers, who are treated the same as staff; they attend training, etc.

We are fortunate in that Limestone is a small county and we know our insurance agents. To hedge the bet when you are approaching these agents about insurance tell them all about the program. Explain safety rules, maintenance checks of vehicles and training that the drivers attend. Encourage them to ride on one of your vehicles to observe. But, above all, tell them how this transportation program has changed the lives of our elderly and handicapped. It has given them the opportunity to become independent. Possibly, the agents will think it is wonderful too, and will go to bat for you with their companies in obtaining insurance.

I would like to thank P.P.T.N. for sponsoring my trip, and Ira Doom and Erskine Walther for asking me to come speak. It has been a delightful trip and the scenery is beautiful.

Remarks By:

Jean Engelke

Deputy Director

Area IV Agency on Aging and

Community Services

Lafayette, Indiana

Good afternoon. I'm pleased to be asked to be a part of this Region IV conference. I was asked to talk about rural transportation in Indiana and private sector involvement. When putting my thoughts together for today's session, I decided the best way to approach this is to give you a general overview of transportation in Indiana and then talk about the characteristics of rural people that describe their particular qualities or traits that makes them unique, and yet makes the provision of transportation for them so difficult. As you will see, I have no concrete answers for rural transit problems, just suggestions based on those characteristics and geographic locations. Hopefully, some of what I have to say will be relevant to your systems and your problems as well.

I am going to limit my comments on transportation for small urban (50,000 people) and rural areas. I feel these are still the geographic areas most difficult to serve for any program and especially for transportation because of the tremendous costs involved.

The area where I come from, Lafayette, Indiana, is about an hour north and a little west of Indianapolis. The agency that I work for has eight county service areas of which seven are rural. It's an agricultural area and we're known as the bread basket of the world.

In our seven rural counties, there is just one taxi-cab company, located in the City of Crawfordsville which has a population of about 13, 300 people. This taxi-cab firm has just one vehicle, a station wagon, that serves that community. We do have, however, specialized transportation providers in all seven counties that serve the elderly and handicapped. Service is limited due to the lack of resources - priority services have been established and not everyone needing to ride gets transported.

We also have a relatively new, all-volunteer Section 18 system that serves people of all ages in five of our rural counties. People living in those five areas are served well by this volunteer program. Other than these, there are no other transit programs in the seven rural counties.

The data for rural transportation for the entire State of Indiana is quite discouraging. We have 92 counties, 62 of which are rural. Taxicabs operate in 30% of these 62 counties but most are located in small urban areas with larger populations. Fleet size averages four vehicles per firm. And though this sector is small, they do provide about 3 million trips per year, a significant number.

Rural Indiana is also serviced by sixteen, Section 18 public transportation providers. Most have limited fleet sizes with the average seating capacity of only 1.2 seats per 1,000

persons. Some are route systems while others provide door-to-door service. These systems are very dependent on state and federal assistance and receive 62% of their revenues from government sources.

What this all adds up to is that only about half of Indiana's 62 rural counties are served by any public transit system or taxicab company for the general population.

However, we do have 291 specialized transportation systems that do give Indiana geographic coverage, limited though it be. These systems serve specific clients such as elderly and handicapped, and provide transportation for specific purposes - medical trips, grocery shopping, pharmacy needs and to senior centers. However, due to the lack of sufficient resources, not all elderly and handicapped in need of service get service, and those that do are restricted as to how they may use that service. These special providers are also very dependent on federal and state assistance with about 62% of their revenues from government sources.

So what are the general characteristics of rural Indiana that make it so difficult to address transportation needs for its rural citizens?

Well, like many rural areas in the country, population density is low. Therefore, the community demand for travel is low. Normally, this is a negative factor for most transportation systems. As you know, high density means more trips and more income - low density means fewer trips and less income.

Then there are many younger, rural families, including farmers, who have fled to the urban areas looking for better employment. Our Indiana farmers have also been affected by economic problems. This exodus has left many elderly isolated in these small towns and on farms. In fact, the majority of Indiana elderly live in the 62 rural counties. Coupled with this are the low income families that live in these rural areas, trying to make a living. Their children have little access to community activities and facilities because these rural areas have so few things to offer them. And this, of course, can present all sorts of problems for families and for communities as a whole.

I don't know what your small towns are like but because of people moving to larger, urban areas, typical Indiana rural communities offer a limited variety of goods and services. Businesses have closed and medical professionals and human service agencies have terminated their services or reduced their services to these areas. Thus, people living there need to get to larger communities for these things. This factor makes trip planning a common practice among rural households and oftentimes, postponements of trips are necessary. For example, they are uniformly wary of inclement weather, and in bad conditions will postpone their trips.

Another factor important to rural transportation is the concept of distance. Most have to travel a good distance to meet their needs. Therefore, they tend to coordinate their trips so that they accomplish everything they need to do in as few trips as possible. Therefore,

they are very adaptable people and make many route deviations along the way. Thus, they operate on a very flexible schedule.

So, the typical travel demands for many rural communities are quite different and unlike the travel demands of urban dwellers. They have low-population areas with infrequent demands for travel; they have a common destination to larger cities for goods and services yet they must plan for trips that can easily be postponed; they have a low resistance to route deviations and will make many stops to accomplish their needs; many people living in these communities are elderly, handicapped and poor, all needing transportation; because so many are on fixed incomes or are poor, they need cheap transportation; youth who live there are forced to go to larger areas for activities, again needing transportation.

All these things make it very difficult for many traditional systems to "make a go of it" in our rural areas. Public and not-for-profit systems alike are now heavily subsidized by the government. The diverse needs of rural citizens and the travel distances required to meet those needs, makes it almost impossible to serve those people and serve them well. For-profit companies also find it most difficult to work in these geographic locations. Low density means low profit so companies will generally look at larger, more populated areas to serve.

I conclude by saying that whoever provides service to rural areas, whether it be private for-profit or public and specialized, their transportation must be reasonably priced; must be adaptable to meet the diverse needs of rural people; must be flexible to meet their flexible timetables, must provide door-to-door service for elderly; and must be, at the same time, be cost effective. That is a big order.

Those of us working in transportation must take a good look at the needs of our rural people and create the kind of transportation program that will suit their needs. Oftentimes, we think we know what kind of service to provide or because we feel most comfortable with the traditional systems, we put them into place when in fact, those systems might only provide just adequate service.

References: 1985 Indiana Passenger Transportation Directory
Inventory of Specialized Transportation Providers
Final Report to the Areas IV AOACS for the Evaluation of the
Specialized, Volunteer Transportation Program

Summary and Evaluation Session

This session concluded the Workshop. Dr. Dan Turner moderated the session and prepared a summary of the concluding discussion. The summary is reproduced below.

Daniel S. Turner
Executive Director of the TSM Association
The University of Alabama
Tuscaloosa, Alabama

This session was designed to review the purpose of the workshop, the roles of the sponsors and cosponsors in providing the workshop, the material which the workshop covered, and applications which might be useful to the participants.

Funding for the workshop was provided through a grant from the Urban Mass Transportation Administration. The UMTA grant was provided to the Alabama Highway Department, which engaged the Transportation Systems Management Association of The University of Alabama. The Association planned and organized the workshop through the services of Mr. Erskine S. Walther, a transit consultant from Greensboro, North Carolina.

Dr. Turner reviewed the role of each additional sponsor and cosponsor in making the workshop possible.

Dr. Turner reminded participants that the target audience for the workshop had been rural and small urban transit organizations, state and local transit officials, private operators and others involved with these transit activities. He noted that the attendance reflected good participation from each portion of the target audience, including individuals from private, for-profit organizations. Workshop attendees included 58 individuals from 13 states and the District of Columbia.

The topic and purpose for each of the five workshops were briefly reviewed: small and rural van programs; communicating with the private sector; public--private partnerships for capital needs in small and medium sized communities; other voices; and operator experiences with private sector activities. Workshop participants were reminded of many of the most important points of each of these workshops.

As a method of emphasizing the material provided in the Workshop, Dr. Turner called upon several individuals to share the topics which they intended to "carry home" and incorporate into their normal jobs. Many items were discussed, including the sample statements shown below:

1. One manager of a public transit agency indicated that she had tried contracting with the private sector for transit services earlier, with disastrous results. Prior to the workshop she had felt that she would never be interested in the private

sector again; however, the workshop had given her a reason to reconsider and modify her stance.

2. Several participants indicated that the workshop had helped them place the private sector's contribution in perspective. Private sector transit operations are not euphoric, all-encompassing solutions, but in certain circumstances they are the best way to conduct transit activities.
3. One participant was highly impressed by the Lexington-Fayette Urban Government joint development effort that resulted in great savings and reduced capital costs for all parties. Responses from the audience indicated that all participants felt the same toward this issue.
4. Several participants expressed appreciation for the private operators who served as speakers for the workshops. The private operators outlined issues like what they considered necessary in a good Request For Proposals and outlined how the transit agency could save money when contracting for transit services.
5. Appreciation was expressed for the two high-level managers from UMTA that attended the workshop to share UMTA policy and to outline expected future priorities and programs.
6. One participant noted that there had been continuous interaction between speakers and participants throughout the workshop. A great deal of useful information was exchanged in this manner.
7. A short discussion was conducted on UMTA's requirements for leasing versus purchasing of fleet vehicles.
8. The recent innovative UMTA programs, including the Entrepreneurial Services Program, the Suburb to Suburb Commute Program and others were discussed in detail. Participants were made aware of how to request funding for suitable programs in these new areas.
9. Appreciation was expressed to private sector operators for opening the eyes of public-sector transit managers and for providing improved communications.

10. One participant commented that the workshop had been well planned because it illustrated both successes and failures from public-private ventures. Often, more can be learned from a failure than from a success.
11. A volunteer van pool operator expressed increased confidence in her program, gained from having talked at the conference with others who were using or planning to use similar volunteer efforts.
12. A transportation agency official encouraged all present to be innovative in finding new ways to provide transit services at decreased cost to the public. He noted that many successful examples had been presented during the workshop and encouraged participants to review them and to copy programs and portions of programs that might be applicable to their own agencies.
13. One participant asked that a listing of attendees be provided so that she could contact other people for ideas, forms, and other information which might prove useful to her agency.

Dr. Turner expressed appreciation to the sponsors and cosponsors of the Workshop. He thanked the attendees for their strong participation in the closing session and indicated that participants would soon receive a listing of workshop attendees, and that this listing would include addresses so that participants could contact each other. Participants were reminded to visit the Technology Transfer Office operated by Mr. Paulhus to pick up useful documentation of several types.

In his final remarks, Dr. Turner noted that the workshop had been successful because the attendees had gained useful information and had actively participated in every session; that feedback levels had been high throughout the conference; and that many useful ideas had been exchanged.

Participants in the Workshop

Summary Statistics. The Workshop participants came from thirteen states and the District of Columbia and were fifty-eight in number. Of these participants, forty-eight were from public sector organizations including private non-profits, and ten were from private for-profit organizations. System operators and planning agencies, as well as state, local and federal levels of government were represented. The following table displays the distribution of participants by state showing the number and percentage of total participants from each state.

Table 1: Participants by Area of Origin

State	Number	Percentage of Total
Alabama	19	32.8%
North Carolina	13	22.4%
Georgia	6	10.3%
Florida	4	6.9%
Kentucky	3	5.2%
South Carolina	3	5.2%
District of Columbia	2	3.4%
Virginia	2	3.4%
California	1	1.7%
Indiana	1	1.7%
Mississippi	1	1.7%
New York	1	1.7%
Ohio	1	1.7%
Pennsylvania	1	1.7%
Total:	58	100%*

*May not add to 100% due to rounding

Source: Workshop registration records

Participant Listing. The following is a listing of the participants in the Workshop. A listing of participants was distributed to all attendees shortly after the close of the Workshop.

Ms. Lynne Allee
Transportation Coordinator
ARISE, Inc.
100 Court Square
Alexander City, AL 35010

Rev. Robert John Baptist
Program Director - MATS Transportation
North Georgia Community Action, Inc.
P.O. Box 530
Jasper, GA 30143

Ms. Carol Beddingfield
DeKalb County Section 18
501 Alabama Avenue South
Fort Payne, AL 35967

Mr. Brien Benson
Associate Administrator
Urban Mass Transportation Administration
United States Department of Transportation
400 Seventh Street, SW
Washington, DC 20590

Ms. Sheila Bishop
Administrator
Lawrence County Public Transportation
P.O. Box 305
Moulton, AL 35650

Mr. Robert E. Blandine
Special Assistant to Resident Manager
Escambia County Transit System
1515 West Fairhill Drive
Pensacola, FL 32501

Ms. Denise M. Braine, Chairman
Buncombe County Human Services Transportation
Coordinating Committee
25 Valley Street
Asheville, NC 28801

Ms. Wilhemnia Bratton
Member of the City Council
City of Asheville
City Hall
Asheville, NC 28801

Ms. Cynthia Cannon
Administrator
Cheaha Regional Transit System, Inc.
1623 Old Birmingham Highway
P.O. Box 1248
Sylacauga, AL 35150

Ms. Helen Carter
Director
Limestone Council on Aging
P.O. Box 783
Athens, AL 35611

Ms. Deborah Chandler
Director
H.E.L.P., Inc.
Route 2, Box 202 J
Carrollton, AL 35447

Mr. Emmett J. Crockett, Jr.
Manager of Scheduling
Metropolitan Atlanta Rapid Transit Authority
2424 Piedmont Avenue, NE
Atlanta, GA 30324

Mr. Sanford Cross
Assistant Director
Public Transportation Division
North Carolina Department of Transportation
P.O. Box 25201
Raleigh, NC 27611

Mr. Ira Doom
Executive Director
GATE Transportation
301 North Eugene Street
Greensboro, NC 27402

Ms. Ann Dowell
Transportation Director
Yadkin Valley Economic Development District, Inc.
P.O. Box 309
Boonville, NC 27011

Ms. Beth M. Dozier
Executive Director
ARISE, Inc.
100 Court Square
Alexander City, AL 35010

Ms. Nancy Drane
Manager
McDuffie County Rural Transportation
304 Greenway Street
Thomson, GA 30824

Ms. Donna Eaton
CTS Management Company
7315 Horner Blvd.
Sanford, NC 27330

Mr. John Eaton
CTS Management Company
7315 Horner Blvd.
Sanford, NC 27330

Ms. Jean Engelke
Deputy Director
Areas IV Agency on Aging and Community Services
10 North Earl Avenue
P.O. Box 4727
Lafayette, IN 47903

Mr. John Gardner
University of North Carolina-Chapel Hill
304 Chateau Apartments
Carrboro, NC 27510

Ms. Kim Garrett
Transportation Director
Community Action Agency of
Morgan-Lawrence-Cullman Counties, Inc.
P.O. Box 1210
Decatur, AL 35602

Mr. Steve Githens
Transit Director
Lakeland Area Mass Transit District
600 Lake Mirror Drive
Lakeland, FL 33801

Mr. Bob Goble
Partner
Carter-Goble Associates
P.O. Box 11287
Columbia, SC 29211

Ms. Sara Bruce Hall
CAA
P.O. Box 1788
Decatur, AL 35602

Mr. Marion Hart, Jr.
Florida Department of Transportation
P.O. Box 9772
Jacksonville, FL 32208

Ms. Dot Huntley
Transportation Director
Anson County Transportation System
P.O. Box 672
Wadesboro, NC 28170

Ms. Peggi C. James
Executive Director
Human Resource Development Corporation
108 Main Street
Enterprise, AL 36330

Ms. Kathleen Jemison
Coordinator
Cheaha Regional Transit System, Inc.
1623 Old Birmingham Highway
P.O. Box 1248
Sylacauga, AL 35150

Mr. Tom Jones
Project Manager
Burton and Associates, Inc.
1314 Lincoln Street; Suite 305
Columbia, SC 29201

Mr. Sheldon A. Kinbar
Urban Mass Transportation Administration
United States Department of Transportation
841 Chestnut Street; Suite 714
Philadelphia, PA 19107

Mr. David H. Kramer
Executive Vice President
Yellow Cab Company of Louisville
P.O. Box 2107
Louisville, KY 40201

Dr. John A. Krout
State University of New York-Fredonia
171 Temple Street
Fredonia, NY 14063

Mr. Joseph McElroy
Head Supervisor and Assistant
Macon-Bibb County Transit Authority
815 Riverside Drive
Macon, GA 31201

Mr. James J. McLary
Transportation Management Services, Inc.
8242 Kings Arm Drive
Alexandria, VA 22308

Mr. Glenn B. Morgan
Coordinator-Secretary
Northwest Alabama Council of Local Governments
P.O. Box 2603
Muscle Shoals, Al 35662

Mr. Jeffrey P. Nokes
Executive Director
Geauga County Transit Program
12555 Merritt Road
Chardon, OH 44024

Ms. Kayle Norton
Director of Public Transit
Northwest Alabama Council of Local Governments
P.O. Box 2603
Muscle Shoals, AL 35662

Mr. Carl Owensby
Asheville Transit System
360 West Haywood Street
Asheville, NC 28801

Mr. Russell R. Palmer
Executive Director
Consolidated Area Transportation Authority (CATA)
P.O. Box 11572
Rock Hill, SC 29731

Mr. Norman G. Paulhus, Jr.
Technology Sharing Officer
Office of Research and Technology
United States Department of Transportation
400 Seventh Street, SW
Washington, DC 20590

Mr. Jerry Peters
Urban Planning Engineer
Alabama Highway Department
Route 4, Box 480
Deatsville, AL 36022

Ms. Patrisha Piras
Principal
Piras Consulting Services
892 Grant Avenue
San Lorenzo, CA 94580

Mr. William E. Robinett
East Alabama Regional Planning
and Development Commission
P.O. Box 2186
Anniston, AL 36202

Mr. David Robinson, Sr.
Mississippi Department of Energy and Transportation
510 George Street
Jackson, MS 39202-3096

Mr. Johnnie Robinson
Coastal Georgia Area CAA, Inc.
2801 4th Street
Brunswick, GA 31521

Mr. Jerry D. Ross
Director
Division of Mass Transportation
Kentucky Transportation Cabinet
11th Floor, State Office Building
Frankfort, KY 40622

Mr. Richard E. Schomas
Florida Department of Transportation
2629 Mayfair Road
Tallahassee, FL 32301

Mr. Richard L. Sparer
Senior Transit Planner
Lexington-Fayette Urban County Government
Division of Planning
200 East Main Street; 10th Floor
Lexington, KY 40507

Ms. Nancy Spry
Coordinator
Northwest Alabama Council of Local Governments
P.O. Box 2603
Muscle Shoals, AL 35662

Mr. Michael T. Stanley
The University of North Carolina
General Administration
Chapel Hill, NC 27514

Ms. June V. Stearman
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Macon-Bibb County Transit Authority
815 Riverside Drive
Macon, GA 31201

Ms. Doris Tidwell
Coordinator
Northwest Alabama Council of Local Governments
P.O. Box 2603
Muscle Shoals, AL 35662

Mr. Tom Tomlin
Chairman
Board of Directors
Asheville Transit Authority
360 West Haywood Street
Asheville, NC 28801

Dr. Daniel S. Turner
Head
Civil Engineering Department
The University of Alabama
P.O. Box 870205
Tuscaloosa, AL 35487-0205

Ms. Mary Jayne Vincent
Public Private Transportation Network
2000 North 15th Street; Suite 507
Arlington, VA 22201

Ms. Beverly Ward
Alabama Transit Association
2101 Magnolia Avenue; Suite 504
Birmingham, AL 35205

Mr. Erskine S. Walther
Principal
Walther Consultancy
1013 North Elm Street; Suite A-2
Greensboro, NC 27401-1423

Evaluation of the Workshop by the Participants

Evaluation Forms for rating each Workshop event were distributed as part of the registration packet. Twenty-two completed evaluation forms were returned, representing the views of 38% of Workshop attendees. Each event was to be rated on a five point scale with 1 being an excellent rating and 5 being a very poor rating. Thus, lower numbers represent a higher rating of the event. Overall the Workshop received a rating of 1.95.

Space was provided on the Evaluation Form for written comments and they are reproduced in this portion of the report. The comments tended to reinforce the high numeric ratings received by the Workshop. Beginning on the next page is the Workshop Evaluation Report.

The participants were also asked to evaluate the hotel and the meals. Those evaluations are omitted from the present presentation.

**REGION IV TRANSIT WORKSHOP:
HARNESSING THE PRIVATE SECTOR**

EVALUATION AND COMMENT REPORT

Instructions Provided Participants

Please rate each Workshop and Workshop Activity which you attended. Please use the five point scale shown:

1 - "Excellent" to 5 - "Very Poor". Following each rating scale you will find space for any additional comments you may have. Your ratings and comments are very much desired and will be very valuable in the planning of future regional training activities.

Thank you for your assistance.

Evaluation Results

Thursday, May 26, 1988

Welcomes, Overview and Objectives

<u>Rating</u>		<u>Responses</u>	<u>Weighted Rating</u>
Excellent	1	2	2.44
	2	7	
	3	8	
	4	1	
Very Poor	5	0	
Total Responses:		18	
Did Not Attend:		3	
Non-Response:		0	

Comments:

"Did not start on time which caused entire day's schedule to run late."

"Started late - shifted schedule for entire day."

"Like the informality; set the tone for remainder of conference. Perhaps a bit disjointed?"

"Only caught end - seemed good."

Workshop One: Small Rural Van Program

<u>Rating</u>	<u>Responses</u>	<u>Weighted Rating</u>
Excellent 1	9	1.72
2	6	
3	2	
4	1	
Very Poor 5	0	
Total Responses:	18	
Did Not Attend:	4	
Non-Response:	0	

Comments:

- "Excellent information from John Eaton."
- "John (Eaton) gave a very fair analysis of the contracting/not contracting issue."
- "Some useful information - didn't stay for entire session."
- "John Eaton did quite well on his own."
- "Too much of a one sided view from the person presenting program."
- "Was not expecting much from this session but was very pleased at the amount of great information presented."
- "Excellent information but very one sided. Was able to involve considerable group discussion & questioning."
- "Very helpful 'give-and-take' between public & private."
- "Really got a good feel for operator perspective - Q&A format worked."
- "Mr. Eaton was one of the best contributors."

Workshop Two: Communicating with the Private Sector

<u>Rating</u>		<u>Responses</u>	<u>Weighted Rating</u>
Excellent	1	6	2.00
	2	6	
	3	4	
	4	1	
Very Poor	5	0	
Total Responses:		17	
Did Not Attend:		4	
Non-Response:		1	

Comments:

"All the speakers knew their subjects and admitted private operators are not the end of all ends."

Sanford C. (Cross) was excellent."

"Went longer than anticipated. Pleased with audience participation."

"Some of those presenting seemed to look on the public sector as incompetent."

"Pointed out many ways to help ensure successful private contracting efforts."

"Very good ideas from panel members. The introduction of all attendees & late start cut well into time allotted. Needed more time for # of panel members or less introduction. Maybe a time for individual introduction & summary of all participants should be scheduled."

"Good presentations of what the private sector is looking for; only suggestion would be to have less 'overlap' in presentations and thus leave more time for questions/ answers."

"This material was extremely valuable."

Keynote Welcomes and Address

<u>Rating</u>		<u>Responses</u>	<u>Weighted Rating</u>
Excellent	1	8	1.95
	2	7	
	3	4	
	4	0	
Very Poor	5	1	
Total Responses:		20	
Did Not Attend:		2	
Non-Response:		0	

Comments:

"All speakers were good. I really enjoyed the presentation by Professor Barnard."

"Excellent for Prof. Barnard - the rest were average."

"Prof. F.A.P. Barnard made the event."

"Enjoyed Dr. Turner's program."

"Dr. Turner's presentation was very funny but had an excellent point."

"Interesting presentation."

"Noise in adjoining room made it difficult to hear."

"Prof. Barnard was great!"

Friday, May 27, 1988

**Workshop Three: Partnerships for Capital Needs in Small and Medium
Sized Communities: Urban and Rural**

<u>Rating</u>		<u>Responses</u>	<u>Weighted Rating</u>
Excellent	1	12	1.55
	2	5	
	3	3	
	4	0	
Very Poor	5	0	
Total Responses:		20	
Did Not Attend:		0	
Non-Response:		2	

Comments:

"I really enjoyed the speaker on Lexington, Rick Sparer."

"The two local representatives were especially good." (Norton and Sparer)

"Very informative."

"Very exciting ideas."

"Good examples of what can be accomplished."

"Both presentations good, R. Sparer excellent!"

Workshop Four: Other Voices

<u>Rating</u>		<u>Responses</u>	<u>Weighted Rating</u>
Excellent	1	8	1.80
	2	9	
	3	4	
	4	0	
Very Poor	5	0	
Total Responses:		21	
Did Not Attend:		0	
Non-Response:		1	

Comments:

"Too long on presentations. Better summary statistics needed."

"Ran too long. Speakers didn't time themselves. Enjoyed the speakers on Macon, Georgia & MARTA."

"Time frame was somewhat long."

"It's too bad that this panel wasn't allotted more time to perform. Norm P. (Paulhus) was a good moderator."

"Excellent comments from June Stearman on operation of system without Federal/State Funding. Too many speakers or not enough time allotted."

"Potpourri of circumstances, all rather different - helpful information as regards exposure to different types of approaches and degrees of success."

"Good having a non-success story."

Workshop Five: Operator Experiences With Private Sector Activities

<u>Rating</u>	<u>Responses</u>	<u>Weighted Rating</u>
Excellent 1	3	2.16
2	9	
3	6	
4	0	
Very Poor 5	0	
Total Responses:	18	
Did Not Attend:	2	
Non-Response:	2	

Comments:

"Jean E. (Engelke) was very good. Others average."

"Very informative session. Probably the most necessary session of this workshop."

"Not as 'informative' but served a good purpose in posing the question of how the types of agencies represented can integrate the suggestions/ideas presented up to this point."

Summary and Evaluation Session

<u>Rating</u>		<u>Responses</u>	<u>Weighted Rating</u>
Excellent	1	7	1.81
	2	5	
	3	4	
	4	0	
Very Poor	5	0	
Total Responses:		16	
Did Not Attend:		2	
Non-Response:		4	

Comments:

"Great session - excellent strategy to get people to talk in the ending session (which usually peters out)."

"Very well planned but could have been administered better."

"Interesting statistics; queries to the participants about what they learned was good idea (many workshops are weak in this area)."

Overall Rating of the Workshop as a Whole

<u>Rating</u>	<u>Responses</u>	<u>Weighted Rating</u>
Excellent 1	7	1.95
2	8	
3	4	
4	1	
Very Poor 5	0	
Total Responses:	20	
Did Not Attend:	0	
Non-Response:	2	

Comments:

- "Send out names, addresses of everyone who attended the conference."
- "Old home week with a different twist."
- "Would liked to have seen a better participation of the public sector and its views of the private sector."
- "Got more good information & ideas from this workshop than any in a long time."
- "Good information provided - good contact and interaction with other attendees."
- "Very worthwhile."
- "A valuable exchange of information. A good sized group. Too bad half the attendees were from 2 states."
- "Excellent!"

General Comments

- Comments at the end of Evaluation Form, not associated with any particular question.
- "Disappointed at attendance - perhaps too expense? ; (Thought cost was a little high for the facilities/etc. provided by hotel)."
- "Excellent content - my compliments to the organizers."
- "Very impressed with the interest shown by participants; their contributions were very helpful."

Summary Analysis

The Workshops generally received good ratings as shown below. For the values in Table 2, the highest possible rating was 1.0 and the lowest possible rating was 5.0.

TABLE 2: SUMMARY OF WORKSHOP RATINGS

<u>Event</u>	<u>Rating</u>
Opening Welcomes	2.44
Workshop One	1.72
Workshop Two	2.00
Keynote Welcomes/Address	1.95
Workshop Three	1.55
Workshop Four	1.80
Workshop Five	2.16
Summary and Evaluation	1.81
Overall Workshop	1.95

Source: Participant Evaluation Forms Completed and Turned In

Analysis Comments

- * In general and overall the Workshops received very high ratings and favorable comments.
- * The opening session rating was adversely impacted by the late start.
- * The speakers generally received high to very high ratings and numerous favorable comments.
- * The Workshop must be viewed as a solid success.

Concluding Comments

This above *Proceedings of the Region IV Transit Workshop: Harnessing The Private Sector* indicates the range of activities and diversity of participants which the Workshop realized. The Evaluation of the Workshop by the participants indicates a high level of satisfaction with the program and informational content of the event. The number of participants, while below original estimates, worked well as it produced a high quality group of very interested participants of the right size to provide vigorous participant-speaker and participant-participant interaction.

The level of attendance should not be viewed as a shortcoming of the Workshop as two of the eight states in the region had severe travel prohibitions; one of the states did not encourage participation (even while co-sponsoring the event), and other competing events worked to reduce the attendance from the originally projected 100 persons. In any event, the bottom line is that it did produce a meaningful and worthwhile experience for those who did attend. In this case, the responses of attendees can only be interpreted as an overwhelming endorsement of this professional educational experience.

APPENDIX ONE

FINAL PROGRAM OF THE WORKSHOP

The Final Workshop Program is reproduced here.

**REGION IV TRANSIT WORKSHOP:
HARNESSING THE PRIVATE SECTOR**

A Regional Technology Sharing Workshop

Sponsored By:

Alabama Highway Department

Alabama Transit Association

Transportation Systems Management Association
The University of Alabama

Urban Mass Transportation Administration
U.S. Department of Transportation

Co-Sponsored By:

Florida Department of Transportation

Mississippi Department of Energy and Transportation

North Carolina Department of Transportation

North Carolina Public Transportation Association

South Carolina Department of Highways and Public Transportation

Transportation Association of South Carolina

In Cooperation With

The Region IV Transportation Consortium

Asheville, North Carolina

May 26 - 27, 1988

**REGION IV TRANSIT WORKSHOP
HARNESSING THE PRIVATE SECTOR**

Workshop Program

One-and-One-Half-Days

Thursday, May 26, 1988

Noon - 6:30 p.m.

Registration

Front Hotel Lobby

Noon - 6:00 p.m.

Technical Resource Center
U.S. Department of Transportation
Room 205 - 2nd Floor B-Building

2:00 p.m.

Welcome, Overview and Objectives

Mount Pilot Room

Erskine S. Walther - Moderator

Tom Tomlin
Chairman, Board of Directors
Asheville Transit Authority

Jerry Peters
Alabama Highway Department

Dr. Dan Turner
Transportation Systems
Management Association
The University of Alabama

Sheldon Kinbar
Urban Mass Transportation Administration
Region III

2:30 p.m.

Workshop One: Small Rural Van Programs

Demand Responsive and Scheduled Service Contracted to the Private Sector

Rhododendron/Dogwood Room

Erskine S. Walther - Introductions

John Eaton
CTS Management Company, Sanford, North Carolina

Sanford Cross
North Carolina Department of Transportation, Raleigh, North Carolina

4:00 p.m.

Refreshment Break

Outside Rhododendron/Dogwood room

4:30 p.m.

Workshop Two: Communicating with the Private Sector

What the Public Sector needs to know to be able to communicate effectively with the Private Sector

Rhododendron/Dogwood room

Beverly Ward - Moderator
Alabama Transit Association, Birmingham, Alabama

James McLary
Transportation Management Services, Inc., Alexandria, Virginia

David Kramer
Yellow Cab of Louisville, Louisville, Kentucky

Sanford Cross
North Carolina Department of Transportation, Raleigh, North Carolina

Pat Piras
Piras Consulting, San Lorenzo, California

6:30 p.m.

Reception

Mount Mitchell Room

Good Things to Eat, Champagne Mimosa to Drink and a Cash Bar to Boot!

7:30 p.m.

Keynote Welcomes and Address

Mount Mitchell Room

North Carolina

Sanford Cross
North Carolina Department of Transportation

Asheville

Wilhemnia Bratton
Member of The City Council
Asheville, North Carolina

Public-Private Transportation Network

Mary Jayne Vincent
Public-Private Transportation
Network

Keynote Address

Brien Benson
Associate Administrator
Urban Mass Transportation Administration
U.S. Department of Transportation
Washington, DC

Transportation Systems Managements
Association

Professor F.A.P. Barnard
(aka Dr. Dan turner)
Transportation Systems Management Association

8:30 p.m.

Carolina Pig Pickin'

Pool Side

(Mount Roan Room if rain)

Friday, May 27, 1988

9:00 a.m. - Noon

Registration

Main Hotel Lobby

8:00 a.m. - 5:00 p.m.

Technical Resource Center
U.S. Department of Transportation

Room 205 - 2nd Floor B-Building

8:30 a.m.

Coffee and Danish Wake-Up Effort

Outside Foxfire Room

9:00 a.m.

**Workshop Three: Partnerships for
Capital Needs in Small and Medium
Sized Communities: Urban and Rural**

Foxfire Room

Erskine S. Walther - Introductions

Kayle Norton

Northwest Alabama Council of Local Governments, Muscle Shoals, Alabama

Rick Sparer

Lexington/Fayette Urban Government, Lexington, Kentucky

Sheldon Kinbar

Urban Mass Transportation Administration

Philadelphia, Pennsylvania

10:30 a.m.

Workshop Four: Other Voices

Public Sector Efficiency/Other Private Sector Approaches/Other Views of the Private
Sector

Foxfire Room

Norm Paulhus - Moderator

U.S. Department of Transportation

June Stearman

Macon-Bibb Transit Authority

Macon, Georgia

Bob Goble

Carter-Goble Associates

Columbia, South Carolina

Kim Garrett

Morgan Accessible Transportation System

Decatur, Alabama

Emmett Crockett

MARTA

Atlanta, Georgia

12:00 Noon

Luncheon

Good Food and Conversation

Mount Roan Room

1:30 p.m.

**Workshop Five: Operator Experiences
With Private Sector Activities**

Views from system operators and open
discussion

Mount Pilot room

David Robinson
Mississippi Department of Energy and Transportation
Jackson, Mississippi

Kim Garrett
Morgan Accessible Transportation System
Decatur, Alabama

Jean Engelke
Area IV Agency on Aging
Lafayette, Indiana

Helen Carter
County Aging Programs
Limestone County
Athens, Alabama

3:30 p.m.

Summary and Evaluation Session

Mount Pilot Room

Erskine S. Walther

Dan Turner

4:00 p.m.

End of Workshops

Have a Safe Trip Home

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